OAG Template 18
04/09

STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES

CONTRACT AMENDMENT

Contractor:	ALLIED COMMUNITY RESOURCES, INC.
Contractor Address:	6 CRAFTSMAN ROAD, EAST WINDSOR, CT 06088
Contract Number:	049ACR-MFP-01 / 08DSS7101AS
Amendment Number:	A5
Amount as Amended:	$8,398,129
Contract Term as Amended:	10/01/08 - 06/30/15

The contract between **Allied Community Resources, Inc.** (the Contractor) and the Department of Social Services (the Department), which was last executed by the parties and approved by the Office of the Attorney General on 4/4/12, is hereby amended as follows:

1. The total maximum amount payable under this contract is **increased by $2,626,406 from $5,771,723 to $8,398,129. This increase is composed of $3,090,007 to fund Program services delivered during SFY14 and SFY15, and ($463,601) to correct a computational error made in Amendment 4 to SFY12 funding.**

2. The term of the contract is extended for two additional years and the end date of the contract is changed from 06/30/13 to 06/30/15.

3. The budget for the period 7/1/13 through 6/30/15 shall be as set on pages 2 and 3 of this amendment.

4. The term of the contract is extended for twenty-four months and the end date of the contract is changed from 6/30/2013 to 6/30/2015.

5. The following subsection shall be appended to Part I Section J.1 on page 12 of the original contract:
   g. The Contractor shall pay invoices approved by the Department, within available funding, to support the involvement of persons with disabilities in MFP committee meetings. Such support shall include transportation, personal care assistants, or other accommodations required to make the meetings accessible to such persons.

This document constitutes an amendment to the above numbered contract. All provisions of that contract, except those explicitly changed above by this amendment, shall remain in full force and effect.

Money Follows the Person Program	Q1 & Q2 7/1/11 - 12/31/11 Contract A-2	FY12Q1 Revision	FY12Q2 Adjustment	FY14 Total	FY15 Total	Total FY14 - FY15
				new	new	
PROGRAM ADMINISTRATION						
PERSONNEL EXPENSES						
SALARIES	$109,000			$428,275	$547,500	$975,775
FRINGE	$21,800	($6,000)		$77,090	$109,500	$186,590
TOTAL PERSONNEL	$130,800			$505,365	$657,000	$1,162,365
OPERATING EXPENSES						
PAYROLL & PROVIDER PROCESSING	$3,250			$12,000	$22,000	$34,000
Outreach & Training				$3,500	$4,500	$8,000
DIRECTED PROGRAM EXPENSE			$2,690	$3,000	$3,000	$6,000
PHONE/FAX	$650			$5,000	$8,000	$13,000
OFFICE EXPENSE	$1,600			$10,000	$15,000	$25,000
POSTAGE	$2,000			$10,000	$25,000	$35,000
EQUIPMENT/MAINT	$1,250			$5,000	$13,000	$18,000
IT (Hardware, Support & Software)	$4,000			$15,000	$28,700	$43,700
VEHICLE & TRAVEL EXPENSE	$2,500			$20,000	$25,000	$45,000
FACILITIES (Rent, Utilities, Insurance)	$1,620	$6,000		$42,000	$42,000	$84,000
FURNITURE	$1,125			$1,000	$1,000	$2,000
LEGAL	$375			$3,000	$5,000	$8,000
AUDIT	$2,500			$5,500	$5,500	$11,000
TOTAL OPERATING EXPENSES	$20,870	$6,000	$2,690	$135,000	$197,700	$332,700
Fidelity Bond	$850			3,000.00	3,000.00	6,000.00
TOTAL PERSONNEL & OPERATING EXPENSES	$152,520			$643,365	$857,700	$1,501,065
Overhead	$16,780			$70,772	$94,320	$165,092
TOTAL PROGRAM ADMINISTRATION	$169,300			**$714,137**	**$952,020**	**$1,666,157**
PROGRAM SERVICES BUDGET						
Transitional Services	$156,000			$518,250	$585,600	$1,103,850
State Funded Transitional Services	$27,250			$60,000	$60,000	$120,000
Transitional Housing	$8,300					
DDS services	$560,444					
Demo - 24 hour care	$100,000			$100,000	$100,000	$200,000
Total Program Service	**$851,994**			**$678,250**	**$745,600**	**$1,423,850**
State Funded Transitional Fee for Service Budget	$2,750					
Total Budget	**$1,024,044**	**$0**	**$0**	**$1,392,387**	**$1,697,620**	**$3,090,007**

Money Follows the Person Program	Q1 & Q2 7/1/11 - 12/31/11			Q3 & Q4 1/1/12 – 6/30/12	FY13 Total	FY14 Total	FY15 Total	Total FY14 - FY15
PROGRAM ADMINISTRATION	Contract A-2	FY12Q1 Revision	FY12Q2 Adjustment	Contract A-4	Contract A-4	new	new	
PERSONNEL EXPENSES								
SALARIES	$109,000			$186,288	$528,576	$428,275	$547,500	$975,775
FRINGE	$21,800	($6,000)		$29,805	$100,129	$77,090	$109,500	$186,590
TOTAL PERSONNEL	$130,800			$216,093	$628,705	$505,365	$657,000	$1,162,365
OPERATING EXPENSES								
PAYROLL & PROVIDER PROCESSING	$3,250			$6,500	$32,500	$12,000	$22,000	$34,000
Outreach & Training				$600	$4,500	$3,500	$4,500	$8,000
DIRECTED PROGRAM EXPENSE			$2,690		$2,876	$3,000	$3,000	$6,000
PHONE/FAX	$650			$2,150	$16,000	$5,000	$8,000	$13,000
OFFICE EXPENSE	$1,600			$2,000	$18,000	$10,000	$15,000	$25,000
POSTAGE	$2,000			$5,000	$23,000	$10,000	$25,000	$35,000
EQUIPMENT/MAINT	$1,250			$1,750	$12,500	$5,000	$13,000	$18,000
IT (Hardware, Support & Software)	$4,000			$7,500	$32,000	$15,000	$28,700	$43,700
VEHICLE & TRAVEL EXPENSE	$2,500			$5,000	$25,000	$20,000	$25,000	$45,000
FACILITIES (Rent, Utilities, Insurance)	$1,620	$6,000		$5,695	$30,000	$42,000	$42,000	$84,000
FURNITURE	$1,125			$1,500	$8,000	$1,000	$1,000	$2,000
LEGAL	$375			$750	$5,000	$3,000	$5,000	$8,000
AUDIT	$2,500			$0	$5,500	$5,500	$5,500	$11,000
TOTAL OPERATING EXPENSES	$20,870	$6,000	$2,690	$38,445	$214,876	$135,000	$197,700	$332,700
Fidelity Bond	$850			$0	$3,000	3,000.00	3,000.00	6,000.00
TOTAL PERSONNEL & OPERATING EXPENSES	$152,520			$254,538	$846,581	$643,365	$857,700	$1,501,065
Overhead	$16,780			$28,010	$93,269	$70,772	$94,320	$165,092
TOTAL PROGRAM ADMINISTRATION	$169,300			**$282,548**	**$939,850**	**$714,137**	**$952,020**	**$1,666,157**
PROGRAM SERVICES BUDGET								
Transitional Services	$156,000		-$2,690	$119,807	$420,586	$518,250	$585,600	$1,103,850
State Funded Transitional Services	$27,250			$27,250	$54,500	$60,000	$60,000	$120,000
Transitional Housing	$8,300							
DDS services	$560,444							
Demo - 24 hour care	$100,000				$100,000	$100,000	$100,000	$200,000
Total Program Service	**$851,994**		**-$2,690**	**$147,057**	**$575,086**	**$678,250**	**$745,600**	**$1,423,850**
State Funded Transitional Fee for Service Budget	$2,750			$2,750	$5,500			
Total Budget	**$1,024,044**	**$0**	**$0**	**$432,355**	**$1,520,436**	**$1,392,387**	**$1,697,620**	**$3,090,007**

SIGNATURES AND APPROVALS

049ACR-MFP-01 / 08DSS7101AS A5

The Contractor IS a Business Associate under the Health Insurance Portability and Accountability Act of 1996 as amended.

Documentation necessary to demonstrate the authorization to sign must be attached.

CONTRACTOR - ALLIED COMMUNITY RESOURCES, INC.

[redacted]

Carol Bohnet, *Chief Operating Officer*

June 14, 2013
Date

DEPARTMENT OF SOCIAL SERVICES

[redacted]

Roderick L. Bremby, *Commissioner*

6/18/2013
Date

OFFICE OF THE ATTORNEY GENERAL

[redacted]

ASST. / ASSOC. ATTORNEY GENERAL *(Approved as to form & legal sufficiency)*
Joseph Rubin

6/21/13
Date

OAG Template 18
04/09

STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES

CONTRACT AMENDMENT

Contractor:	ALLIED COMMUNITY RESOURCES, INC.
Contractor Address:	6 CRAFTSMAN ROAD, EAST WINDSOR, CT 06088
Contract Number:	049ACR-MFP-01 / 08DSS7101AS
Amendment Number:	A4
Amount as Amended:	$5,771,723
Contract Term as Amended:	10/01/2008 – 6/30/2013

The contract between **Allied Community Resources, Inc.** (the Contractor) and the Department of Social Services (the Department), which was last executed by the parties and approved by the Office of the Attorney General on 1/18/2012, is hereby further amended as follows:

1. The total maximum amount payable under this contract is **increased by $2,416,392 from $3,355,331 to $5,771,723** to fund Program service delivery through 6/30/2013.

2. For the period 7/1/2011 through 6/30/2013, the Contractor shall adhere to the budget on page 2 of this amendment.

3. The term of the contract is extended for fifteen months and the end date of the contract is changed from 3/31/2012 to 6/30/2013.

4. The Contractor shall pay invoices approved by the Department, within available funding, to support the involvement of persons with disabilities in MFP committee meetings. Such support shall include transportation, personal care assistants, or other accommodations required to make the meetings accessible to such persons.

5. Section 1. F. 1 on page 10 of the original contract is deleted and revised as follows:

   "1) In conjunction with and as required by the FIS Contract, the Contractor shall establish and maintain an accurate and current Provider Directory for the benefit of both MFP participants and ABI, CHCPE and PCA waiver participants. In addition the Contractor shall:"

This document constitutes an amendment to the above numbered contract. All provisions of that contract, except those explicitly changed above by this amendment, shall remain in full force and effect.

Money Follows the Person Program	Q1 & Q2 7/1/11 - 12/31/11			Q3 & Q4 1/1/12 - 6/30/12	FY12 Total	FY13 Total	Total FY12 - FY13
	Contract A-2	FY12Q1 Revision	FY12Q2 Adjustment	new	new	new	
PROGRAM ADMINISTRATION							
PERSONNEL EXPENSES							
SALARIES	$109,000			$186,288	$295,288	$528,576	$823,864
FRINGE	$21,800	($6,000)		$29,805	$45,605	$ 100,129	$145,734
TOTAL PERSONNEL	$130,800			$216,093	$340,894	$628,705	$969,599
OPERATING EXPENSES							
PAYROLL & PROVIDER PROCESSING	$3,250			$6,500	$9,750	$32,500	$42,250
Outreach & Training				$600	$600	$4,500	$5,100
DIRECTED PROGRAM EXPENSE			$2,690		$2,690	$2,876	$5,566
PHONE/FAX	$650			$2,150	$2,800	$16,000	$18,800
OFFICE EXPENSE	$1,600			$2,000	$3,600	$18,000	$21,600
POSTAGE	$2,000			$5,000	$7,000	$23,000	$30,000
EQUIPMENT/MAINT	$1,250			$1,750	$3,000	$12,500	$15,500
IT (Hardware, Support & Software)	$4,000			$7,500	$11,500	$32,000	$43,500
VEHICLE & TRAVEL EXPENSE	$2,500			$5,000	$7,500	$25,000	$32,500
FACILITIES (Rent, Utilities, Insurance)	$1,620	$6,000		$5,695	$13,315	$30,000	$43,315
FURNITURE	$1,125			$1,500	$2,625	$8,000	$10,625
LEGAL	$375			$750	$1,125	$5,000	$6,125
AUDIT	$2,500			$0	$2,500	$5,500	$8,000
TOTAL OPERATING EXPENSES	$20,870	$6,000	$2,690	$38,445	$68,005	$214,876	$282,881
Fidelity Bond	$850			$0	$850	$3,000	$3,850
TOTAL PERSONNEL & OPERATING EXPENSES	$152,520		$2,690	$254,538	$409,749	$846,581	$1,256,330
Overhead	$16,780			$28,010	$44,790	$93,269	$138,059
TOTAL PROGRAM ADMINISTRATION	$169,300		$2,690	**$282,548**	**$454,539**	**$939,850**	**$1,394,389**
PROGRAM SERVICES BUDGET							
Transitional Services	$156,000		-$2,690	$117,117	$273,117	$420,586	$693,703
State Funded Transitional Services	$27,250			$27,250	$54,500	$54,500	$109,000
Transitional Housing	$8,300				$8,300		$8,300
DDS services	$560,444			$749,571			$0
Demo - 24 hour care	$100,000				$100,000	$100,000	$200,000
Total Program Service	**$851,994**			**$893,938**	**$435,917**	**$575,086**	**$1,011,003**
State Funded Transitonal Fee for Service Budget	$2,750				$5,500	$5,500	$11,000
Total Budget	**$1,024,044**	**$0**	**-$2,690**	**$1,176,486**	**$895,956**	**$1,520,436**	**$2,416,392**

SIGNATURES AND APPROVALS

049ACR-MFP-01 / 08DSS7101AS A4

The Contractor IS a Business Associate under the Health Insurance Portability and Accountability Act of 1996 as amended.

Documentation necessary to demonstrate the authorization to sign must be attached.

CONTRACTOR - ALLIED COMMUNITY RESOURCES, INC.

[redacted]

Carol A. Bohnet, *Executive Director*

3/23/2012
Date

DEPARTMENT OF SOCIAL SERVICES

[redacted]

Roderick L. Bremby, *Commissioner*

3/27/2012
Date

OFFICE OF THE ATTORNEY GENERAL

[redacted]

ASST. / Assoc. Attorney General (Approved as to form & legal sufficiency)

4/4/12
Date

STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES

CONTRACT AMENDMENT

Contractor:	ALLIED COMMUNITY RESOURCES, INC.
Contractor Address:	6 CRAFTSMAN ROAD, EAST WINDSOR, CT 06088
Contract Number:	049ACR-MFP-01 / 08DSS7101AS
Amendment Number:	A3
Amount as Amended:	$3,355,331
Contract Term as Amended:	10/01/08 - 03/31/12

The contract between **Allied Community Resources, Inc.** (the Contractor) and the Department of Social Services (the Department), which was last executed by the parties and approved by the Office of the Attorney General on 2/9/2011 , is hereby further amended as follows:

1. The term of the contract is extended for an additional 3 months and the end date of the contract is changed from 12/31/2011 to 3/31/2012.

2. Part II on pages 6 through 28 of Amendment 1 is deleted and replaced by the Part II revised September 2011 on pages 2 through 25 of this amendment.

This document constitutes an amendment to the above numbered contract. All provisions of that contract, except those explicitly changed above by this amendment, shall remain in full force and effect.

PART II. TERMS AND CONDITIONS

The Contractor shall comply with the following terms and conditions.

A. **Definitions.** Unless otherwise indicated, the following terms shall have the following corresponding definitions:

1. **"Bid"** shall mean a bid submitted in response to a solicitation.
2. **"Breach"** shall mean a party's failure to perform some contracted-for or agreed-upon act, or his failure to comply with a duty imposed by law which is owed to another or to society.
3. **"Cancellation"** shall mean an end to the Contract affected pursuant to a right which the Contract creates due to a Breach.
4. **"Claims"** shall mean all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum.
5. **"Client"** shall mean a recipient of the Contractor's Services.
6. **"Contract"** shall mean this agreement, as of its effective date, between the Contractor and the State for Services.
7. **"Contractor Parties"** shall mean a Contractor's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract (e.g. subcontractor) and the Contractor intends for such other person or entity to perform under the Contract in any capacity. For the purpose of this Contract, vendors of support services, not otherwise known as human service providers or educators, shall not be considered subcontractors, e.g. lawn care, unless such activity is considered part of a training, vocational or educational program.
8. **"Data"** shall mean all results, technical information and materials developed and/or obtained in the performance of the Services hereunder, including but not limited to all reports, survey and evaluation tools, surveys and evaluations, plans, charts, recordings (video and/or sound), pictures, curricula, electronically prepared presentations, public awareness or prevention campaign materials, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda, and documents, whether finished or unfinished, which result from or are prepared in connection with the Services performed hereunder.
9. **"Day"** shall mean all calendar days, other than Saturdays, Sundays and days designated as national or State of Connecticut holidays upon which banks in Connecticut are closed.
10. **"Expiration"** shall mean an end to the Contract due to the completion in full of the mutual performances of the parties or due to the Contract's term being completed.
11. **"Force Majeure"** shall mean events that materially affect the Services or the time schedule within which to perform and are outside the control of the party asserting that such an event has occurred, including, but not limited to, labor troubles unrelated to the Contractor, failure of or inadequate permanent power, unavoidable casualties, fire not caused by the Contractor, extraordinary weather conditions, disasters, riots, acts of God, insurrection or war.
12. **"Personal Information"** shall mean any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual including, but not limited to, such individual's name, date of birth, mother's maiden name, motor vehicle operator's license number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data

such as fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Personal Information shall also include any information regarding clients that the Department classifies as "confidential" or "restricted." Personal Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records which are lawfully made available to the general public.

13. **"Personal Information Breach"** shall mean an instance where an unauthorized person or entity accesses Personal Information in any manner, including but not limited to the following occurrences: (1) any Personal Information that is not encrypted or protected is misplaced, lost, stolen or in any way compromised; (2) one or more third parties have had access to or taken control or possession of any Personal Information that is not encrypted or protected without prior written authorization from the State; (3) the unauthorized acquisition of encrypted or protected Personal Information together with the confidential process or key that is capable of compromising the integrity of the Personal Information; or (4) if there is a substantial risk of identity theft or fraud to the client, the Contractor, the Department or State.

14. **"Records"** shall mean all working papers and such other information and materials as may have been accumulated and/or produced by the Contractor in performing the Contract, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form.

15. **"Services"** shall mean the performance of Services as stated in Part I of this Contract.

16. **"State"** shall mean the State of Connecticut, including any agency, office, department, board, council, commission, institution or other executive branch agency of State Government.

17. **"Termination"** shall mean an end to the Contract affected pursuant to a right which the Contract creates, other than for a Breach.

B. Client-Related Safeguards.

1. Inspection of Work Performed.

(a) The Agency or its authorized representative shall at all times have the right to enter into the Contractor or Contractor Parties' premises, or such other places where duties under the Contract are being performed, to inspect, to monitor or to evaluate the work being performed in accordance with Conn. Gen. Stat. § 4e-29 to ensure compliance with this Contract. The Contractor and all subcontractors must provide all reasonable facilities and assistance to Agency representatives. All inspections and evaluations shall be performed in such a manner as will not unduly delay work. The Contractor shall disclose information on clients, applicants and their families as requested unless otherwise prohibited by federal or state law. Written evaluations pursuant to this Section shall be made available to the Contractor.

(b) The Contractor must incorporate this section verbatim into any Contract it enters into with any subcontractor providing services under this Contract.

2. **Safeguarding Client Information.** The Agency and the Contractor shall safeguard the use, publication and disclosure of information on all applicants for and all Clients who receive Services under this Contract with all applicable federal and state law concerning confidentiality and as may be further provided under the Contract.

3. **Reporting of Client Abuse or Neglect.** The Contractor shall comply with all reporting requirements relative to Client abuse and neglect, including but not limited to requirements as specified in C.G.S.§§ 17a-101 through 103, 19a-216, 46b-120 (related to children); C.G.S.§ 46a-11b (relative to persons with mental retardation); and C.G.S.§ 17b-407 (relative to elderly persons).

4. **Background Checks.** The State may require that the Contractor and Contractor Parties undergo criminal background checks as provided for in the State of Connecticut Department of Public Safety Administration

and Operations Manual or such other State document as governs procedures for background checks. The Contractor and Contractor Parties shall cooperate fully as necessary or reasonably requested with the State and its agents in connection with such background checks.

C. Contractor Obligations.

1. **Cost Standards.** The Contractor and funding state Agency shall comply with the Cost Standards issued by OPM, as may be amended from time to time. The Cost Standards are published by OPM on the Web at http://ct.gov/opm/fin/cost_standards.

2. **Credits and Rights in Data.** Unless expressly waived in writing by the Agency, all Records and publications intended for public distribution during or resulting from the performances of this Contract shall include a statement acknowledging the financial support of the State and the Agency and, where applicable, the federal government. All such publications shall be released in conformance with applicable federal and state law and all regulations regarding confidentiality. Any liability arising from such a release by the Contractor shall be the sole responsibility of the Contractor and the Contractor shall indemnify and hold harmless the Agency, unless the Agency or its agents co-authored said publication and said release is done with the prior written approval of the Agency Head. All publications shall contain the following statement: "This publication does not express the views of the [insert Agency name] or the State of Connecticut. The views and opinions expressed are those of the authors." Neither the Contractor nor any of its agents shall copyright Data and information obtained under this Contract, unless expressly previously authorized in writing by the Agency. The Agency shall have the right to publish, duplicate, use and disclose all such Data in any manner, and may authorize others to do so. The Agency may copyright any Data without prior Notice to the Contractor. The Contractor does not assume any responsibility for the use, publication or disclosure solely by the Agency of such Data.

3. **Organizational Information, Conflict of Interest, IRS Form 990.** During the term of this Contract and for the one hundred eighty (180) days following its date of Termination and/or Cancellation, the Contractor shall upon the Agency's request provide copies of the following documents within ten (10) Days after receipt of the request:

   (a) its most recent IRS Form 990 submitted to the Internal Revenue Service, and

   (b) its most recent Annual Report filed with the Connecticut Secretary of the State's Office or such other information that the Agency deems appropriate with respect to the organization and affiliation of the Contractor and related entities.

   This provision shall continue to be binding upon the Contractor for one hundred and eighty (180) Days following the termination or cancellation of the Contract.

4. **Federal Funds.**

   (a) The Contractor shall comply with requirements relating to the receipt or use of federal funds. The Agency shall specify all such requirements in Part I of this Contract.

   (b) The Contractor acknowledges that the Agency has established a policy, as mandated by section 6032 of the Deficit Reduction Act (DRA) of 2005, P.L. 109-171, that provides detailed information about the Federal False Claims Act, 31 U.S.C. §§ 3729-3733, and other laws supporting the detection and prevention of fraud and abuse.

      (1) Contractor acknowledges that it has received a copy of said policy and shall comply with its terms, as amended, and with all applicable state and federal laws, regulations and rules. Contractor shall provide said policy to subcontractors and shall require compliance with the terms of the policy. Failure to abide by the terms of the policy, as determined by the Agency, shall constitute a Breach of this Contract and may result in cancellation or termination of this Contract.

(2) This section applies if, under this Contract, the Contractor or Contractor Parties furnishes, or otherwise authorizes the furnishing of health care items or services, performs billing or coding functions, or is involved in monitoring of health care provided by the Agency.

(c) Contractor represents that it is not excluded, debarred, suspended or otherwise ineligible to participate in federal health care programs.

(d) Contractor shall not, for purposes of performing the Contract with the Agency, knowingly employ or contract with, with or without compensation: (A) any individual or entity listed by a federal agency as excluded, debarred, suspended or otherwise ineligible to participate in federal health care programs; or (B) any person or entity who is excluded from contracting with the State of Connecticut or the federal government (as reflected in the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, Department of Health and Human Services, Office of Inspector General (HHS/OIG) Excluded Parties list and the Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons List). Contractor shall immediately notify the Agency should it become subject to an investigation or inquiry involving items or services reimbursable under a federal health care program or be listed as ineligible for participation in or to perform Services in connection with such program. The Agency may cancel or terminate this Contract immediately if at any point the Contractor, subcontractor or any of their employees are sanctioned, suspended, excluded from or otherwise become ineligible to participate in federal health care programs.

5. **Audit Requirements.**

(a) The State Auditors of Public Accounts shall have access to all Records for the fiscal year(s) in which the award was made. The Contractor shall provide for an annual financial audit acceptable to the Agency for any expenditure of state-awarded funds made by the Contractor. Such audit shall include management letters and audit recommendations. The Contractor shall comply with federal and state single audit standards as applicable.

(b) The Contractor shall make all of its and the Contractor Parties' Records available at all reasonable hours for audit and inspection by the State, including, but not limited to, the Agency, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents. Requests for any audit or inspection shall be in writing, at least ten (10) days prior to the requested date. All audits and inspections shall be at the requester's expense. The State may request an audit or inspection at any time during the Contract term and for three (3) years after Termination, Cancellation or Expiration of the Contract. The Contractor shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Contractor shall cooperate with an exit conference.

(c) For purposes of this subsection as it relates to State grants, the word "Contractor" shall be read to mean "nonstate entity," as that term is defined in C.G.S. § 4-230.

(d) The Contractor must incorporate this section verbatim into any Contract it enters into with any subcontractor providing services under this Contract.

6. **Related Party Transactions.** The Contractor shall report all related party transactions, as defined in this section, to the Agency on an annual basis in the appropriate fiscal report as specified in Part I of this Contract. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to directly or indirectly exercise influence or control. "Related party transactions" between a Contractor or Contractor Party and a related party include, but are not limited to:

(a) Real estate sales or leases;

(b) leases for equipment, vehicles or household furnishings;

(c) Mortgages, loans and working capital loans; and

(d) Contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by the Contractor or Contractor Party.

7. **Suspension or Debarment.** In addition to the representations and requirements set forth in Section D.4:

(a) The Contractor certifies for itself and Contractor Parties involved in the administration of federal or state funds that they:

(1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental agency (federal, state or local);

(2) within a three year period preceding the effective date of this Contract, have not been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; for violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the above offenses; and

(4) Have not within a three year period preceding the effective date of this Contract had one or more public transactions terminated for cause or fault.

(b) Any change in the above status shall be immediately reported to the Agency.

8. **Liaison.** Each Party shall designate a liaison to facilitate a cooperative working relationship between the Contractor and the Agency in the performance and administration of this Contract.

9. **Subcontracts.** Each Contractor Party's identity, services to be rendered and costs shall be detailed in Part I of this Contract. Absent compliance with this requirement, no Contractor Party may be used or expense paid under this Contract unless expressly otherwise provided in Part I of this Contract. No Contractor Party shall acquire any direct right of payment from the Agency by virtue of this section or any other section of this Contract. The use of Contractor Parties shall not relieve the Contractor of any responsibility or liability under this Contract. The Contractor shall make available copies of all subcontracts to the Agency upon request.

10. **Independent Capacity of Contractor.** The Contractor and Contractor Parties shall act in an independent capacity and not as officers or employees of the state of Connecticut or of the Agency.

11. **Indemnification.**

(a) The Contractor shall indemnify, defend and hold harmless the state of Connecticut and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all:

(1) claims arising directly or indirectly, in connection with the Contract, including the acts of commission or omission (collectively the "Acts") of the Contractor or Contractor Parties; and

(2) liabilities, damages, losses, costs and expenses, including but not limited to attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the Contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its indemnification and hold-harmless obligations under this Contract. The Contractor's obligations under this section to indemnify, defend and hold harmless against Claims includes Claims concerning confidentiality of any part of or all of the bid or any records, and intellectual property

rights, other propriety rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the performance of the Contract.

(b) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor or any Contractor Parties. The State shall give the Contractor reasonable notice of any such Claims.

(c) The Contractor's duties under this Section shall remain fully in effect and binding in accordance with the terms and conditions of the Contract, without being lessened or compromised in any way, even where the Contractor is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.

(d) The Contractor shall carry and maintain at all times during the term of the Contract, and during the time that any sections survive the term of the Contract, sufficient general liability insurance to satisfy its obligations under this Contract. The Contractor shall name the State as an additional insured on the policy and shall provide a copy of the policy to the Agency prior to the effective date of the Contract. The Contractor shall not begin performance until the delivery of the policy to the Agency.

(e) The rights provided in this section for the benefit of the State shall encompass the recovery of attorneys' and other professionals' fees expended in pursuing a Claim against a third party.

(f) This section shall survive the Termination, Cancellation or Expiration of the Contract, and shall not be limited by reason of any insurance coverage.

12. **Insurance.** Before commencing performance, the Agency may require the Contractor to obtain and maintain specified insurance coverage. In the absence of specific Agency requirements, the Contractor shall obtain and maintain the following insurance coverage at its own cost and expense for the duration of the Contract:

(a) Commercial General Liability. $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall include Premises and Operations, Independent Contractors, Products and Completed Operations, Contractual Liability, and Broad Form Property Damage coverage. If a general aggregate is used, the general aggregate limit shall apply separately to the services to be performed under this Contract or the general aggregate limit shall be twice the occurrence limit;

(b) Automobile Liability. $1,000,000 combined single limit per accident for bodily injury. Coverage extends to owned, hired and non-owned automobiles. If the vendor/contractor does not own an automobile, but one is used in the execution of this Contract, then only hired and non-owned coverage is required. If a vehicle is not used in the execution of this Contract then automobile coverage is not required.

(c) Professional Liability. $1,000,000 limit of liability, if applicable; and/or

(d) Workers' Compensation and Employers Liability. Statutory coverage in compliance with the Compensation laws of the State of Connecticut. Coverage shall include Employer's Liability with minimum limits of $100,000 each accident, $500,000 Disease – Policy limit, $100,000 each employee.

13. **Choice of Law/Choice of Forum, Settlement of Disputes, Claims Against the State.**

(a) The Contract shall be deemed to have been made in the City of Hartford, State of Connecticut. Both Parties agree that it is fair and reasonable for the validity and construction of the Contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by federal law or the laws of

the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

(b) Any dispute concerning the interpretation or application of this Contract shall be decided by the Agency Head or his/her designee whose decision shall be final, subject to any rights the Contractor may have pursuant to state law. In appealing a dispute to the Agency Head pursuant to this section, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final resolution of a dispute, the Contractor and the Agency shall proceed diligently with the performance of the Contract.

(c) The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this Contract shall be in accordance with Title 4, Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings, except as authorized by that Chapter, in any state or federal court in addition to or in lieu of said Chapter 53 proceedings.

14. **Compliance with Law and Policy, Facility Standards and Licensing.** Contractor shall comply with all:

(a) pertinent local, state and federal laws and regulations as well as Agency policies and procedures applicable to contractor's programs as specified in this Contract. The Agency shall notify the Contractor of any applicable new or revised laws, regulations, policies or procedures which the Agency has responsibility to promulgate or enforce; and

(b) applicable local, state and federal licensing, zoning, building, health, fire and safety regulations or ordinances, as well as standards and criteria of pertinent state and federal authorities. Unless otherwise provided by law, the Contractor is not relieved of compliance while formally contesting the authority to require such standards, regulations, statutes, ordinance or criteria.

15. **Representations and Warranties.** Contractor shall:

(a) perform fully under the Contract;

(b) pay for and/or secure all permits, licenses and fees and give all required or appropriate notices with respect to the provision of Services as described in Part I of this Contract; and

(c) adhere to all contractual sections ensuring the confidentiality of all Records that the Contractor has access to and are exempt from disclosure under the State's Freedom of Information Act or other applicable law.

16. **Reports.** The Contractor shall provide the Agency with such statistical, financial and programmatic information necessary to monitor and evaluate compliance with the Contract. All requests for such information shall comply with all applicable state and federal confidentiality laws. The Contractor shall provide the Agency with such reports as the Agency requests as required by this Contract.

17. **Delinquent Reports.** The Contractor shall submit required reports by the designated due dates as identified in this Contract. After notice to the Contractor and an opportunity for a meeting with an Agency representative, the Agency reserves the right to withhold payments for services performed under this Contract if the Agency has not received acceptable progress reports, expenditure reports, refunds, and/or audits as required by this Contract or previous contracts for similar or equivalent services the Contractor has entered into with the Agency. This section shall survive any Termination of the Contract or the Expiration of its term.

18. **Record Keeping and Access.** The Contractor shall maintain books, Records, documents, program and individual service records and other evidence of its accounting and billing procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature incurred in the performance of this Contract. These Records shall be subject at all reasonable times to monitoring, inspection, review or audit by authorized employees or agents of the State or, where applicable, federal agencies. The Contractor shall retain all such Records concerning this Contract for a period of three (3) years after the completion and submission to the State of the Contractor's annual financial audit.

19. **Protection of Personal Information.**

(a) Contractor and Contractor Parties, at their own expense, have a duty to and shall protect from a Personal Information Breach any and all Personal Information which they come to possess or control, wherever and however stored or maintained, in a commercially reasonable manner in accordance with current industry standards.
http://www.ct.gov/doit/cwp/view.asp?a=1245&q=253968http://www.ct.gov/doit/cwp/view.asp?a=1245&q=253968

(b) Each Contractor or Contractor Party shall implement and maintain a comprehensive data security program for the protection of Personal Information. The safeguards contained in such program shall be consistent with and comply with the safeguards for protection of Personal Information, and information of a similar character, as set forth in all applicable federal and state law and written policy of the Department or State concerning the confidentiality of Personal Information. Such data-security program shall include, but not be limited to, the following:

(1) A security policy for employees related to the storage, access and transportation of data containing Personal Information;
(2) Reasonable restrictions on access to records containing Personal Information, including access to any locked storage where such records are kept;
(3) A process for reviewing policies and security measures at least annually;
(4) Creating secure access controls to Personal Information, including but not limited to passwords; and
(5) Encrypting of Personal Information that is stored on laptops, portable devices or being transmitted electronically.

(c) The Contractor and Contractor Parties shall notify the Department and the Connecticut Office of the Attorney General as soon as practical, but no later than twenty-four (24) hours, after they become aware of or suspect that any Personal Information which Contractor or Contractor Parties possess or control has been subject to a Personal Information Breach. If a Personal Information Breach has occurred, the Contractor shall, within three (3) business days after the notification, present a credit monitoring and protection plan to the Commissioner of Administrative Services, the Department and the Connecticut Office of the Attorney General, for review and approval. Such credit monitoring or protection plan shall be made available by the Contractor at its own cost and expense to all individuals affected by the Personal Information Breach. Such credit monitoring or protection plan shall include, but is not limited to reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to Connecticut General Statutes § 36a-701a. Such credit monitoring or protection plans shall be approved by the State in accordance with this Section and shall cover a length of time commensurate with the circumstances of the Personal Information Breach. The Contractors' costs and expenses for the credit monitoring and protection plan shall not be recoverable from the Department, any State of Connecticut entity or any affected individuals.

(d) The Contractor shall incorporate the requirements of this Section in all subcontracts requiring each Contractor Party to safeguard Personal Information in the same manner as provided for in this Section.

(e) Nothing in this Section shall supersede in any manner Contractor's or Contractor Party's obligations pursuant to HIPAA or the provisions of this Contract concerning the obligations of the Contractor as a Business Associate of the Department.

20. **Workforce Analysis.** The Contractor shall provide a workforce Analysis Affirmative Action report related to employment practices and procedures.

21. **Litigation.**

    (a) The Contractor shall require that all Contractor Parties, as appropriate, disclose to the Contractor, to the best of their knowledge, any Claims involving the Contractor Parties that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to perform fully under the Contract, no later than ten (10) days after becoming aware or after they should have become aware of any such Claims. Disclosure shall be in writing.

    (b) The Contractor shall provide written Notice to the Agency of any final decision by any tribunal or state or federal agency or court which is adverse to the Contractor or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against the Contractor or its employee or agent under the Americans with Disabilities Act of 1990 as revised or amended from time to time, Executive Orders Nos. 3 & 17 of Governor Thomas J. Meskill and any other requirements of federal or state law concerning equal employment opportunities or nondiscriminatory practices.

22. **Sovereign Immunity.** The Contractor and Contractor Parties acknowledge and agree that nothing in the Contract, or the solicitation leading up to the Contract, shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of the Contract. To the extent that this Section conflicts with any other Section, this Section shall govern.

D. Changes to the Contract, Termination, Cancellation and Expiration.

1. **Contract Amendment.**

    (a) No amendment to or modification or other alteration of this Contract shall be valid or binding upon the parties unless made in writing, signed by the parties and, if applicable, approved by the OAG.

    (b) The Agency may amend this Contract to reduce the contracted amount of compensation if:

        (1) the total amount budgeted by the State for the operation of the Agency or Services provided under the program is reduced or made unavailable in any way; or

        (2) federal funding reduction results in reallocation of funds within the Agency.

    (c) If the Agency decides to reduce the compensation, the Agency shall send written Notice to the Contractor. Within twenty (20) Days of the Contractor's receipt of the Notice, the Contractor and the Agency shall negotiate the implementation of the reduction of compensation unless the parties mutually agree that such negotiations would be futile. If the parties fail to negotiate an implementation schedule, then the Agency may terminate the Contract effective no earlier than sixty (60) Days from the date that the Contractor receives written notification of Termination and the date that work under this Contract shall cease.

2. **Contractor Changes and Assignment.**

    (a) The Contractor shall notify the Agency in writing:

(1) at least ninety (90) days prior to the effective date of any fundamental changes in the Contractor's corporate status, including merger, acquisition, transfer of assets, and any change in fiduciary responsibility;

(2) no later than ten (10) days from the effective date of any change in:

(A) its certificate of incorporation or other organizational document;

(B) more than a controlling interest in the ownership of the Contractor; or

(C) the individual(s) in charge of the performance.

(b) No such change shall relieve the Contractor of any responsibility for the accuracy and completeness of the performance. The Agency, after receiving written Notice from the Contractor of any such change, may require such contracts, releases and other instruments evidencing, to the Agency's satisfaction, that any individuals retiring or otherwise separating from the Contractor have been compensated in full or that allowance has been made for compensation in full, for all work performed under terms of the Contract. The Contractor shall deliver such documents to the Agency in accordance with the terms of the Agency's written request. The Agency may also require, and the Contractor shall deliver, a financial statement showing that solvency of the Contractor is maintained. The death of any Contractor Party, as applicable, shall not release the Contractor from the obligation to perform under the Contract; the surviving Contractor Parties, as appropriate, must continue to perform under the Contract until performance is fully completed.

(c) Assignment. The Contractor shall not assign any of its rights or obligations under the Contract, voluntarily or otherwise, in any manner without the prior written consent of the Agency.

(1) The Contractor shall comply with requests for documentation deemed to be appropriate by the Agency in considering whether to consent to such assignment.

(2) The Agency shall notify the Contractor of its decision no later than forty-five (45) Days from the date the Agency receives all requested documentation.

(3) The Agency may void any assignment made without the Agency's consent and deem such assignment to be in violation of this Section and to be in Breach of the Contract. Any cancellation of this Contract by the Agency for a Breach shall be without prejudice to the Agency's or the State's rights or possible claims against the Contractor.

3. **Breach.**

(a) If either party Breaches this Contract in any respect, the non-breaching party shall provide written notice of the Breach to the breaching party and afford the breaching party an opportunity to cure within ten (10) Days from the date that the breaching party receives the notice. In the case of a Contractor Breach, the Agency may modify the ten (10) day cure period in the notice of Breach. The right to cure period shall be extended if the non-breaching party is satisfied that the breaching party is making a good faith effort to cure, but the nature of the Breach is such that it cannot be cured within the right to cure period. The Notice may include an effective Contract cancellation date if the Breach is not cured by the stated date and, unless otherwise modified by the non-breaching party in writing prior to the cancellation date, no further action shall be required of any party to effect the cancellation as of the stated date. If the notice does not set forth an effective Contract cancellation date, then the non-breaching party may cancel the Contract by giving the breaching party no less than twenty four (24) hours' prior written Notice after the expiration of the cure period.

(b) If the Agency believes that the Contractor has not performed according to the Contract, the Agency may:

(1) withhold payment in whole or in part pending resolution of the performance issue, provided that the Agency notifies the Contractor in writing prior to the date that the payment would have been due in accordance with the budget;

(2) temporarily discontinue all or part of the Services to be provided under the Contract;

(3) permanently discontinue part of the Services to be provided under the Contract;

(4) assign appropriate State personnel to provide contracted for Services to assure continued performance under the Contract until such time as the contractual Breach has been corrected to the satisfaction of the Agency;

(5) require that contract funding be used to enter into a subcontract with a person or persons designated by the Agency in order to bring the program into contractual compliance;

(6) take such other actions of any nature whatsoever as may be deemed appropriate for the best interests of the State or the program(s) provided under this Contract or both; or

(7) any combination of the above actions.

(c) The Contractor shall return all unexpended funds to the Agency no later than thirty (30) calendar days after the Contractor receives a demand from the Agency.

(d) In addition to the rights and remedies granted to the Agency by this Contract, the Agency shall have all other rights and remedies granted to it by law in the event of Breach of or default by the Contractor under the terms of this Contract.

(e) The action of the Agency shall be considered final. If at any step in this process the Contractor fails to comply with the procedure and, as applicable, the mutually agreed plan of correction, the Agency may proceed with Breach remedies as listed under this section.

4. **Non-enforcement Not to Constitute Waiver.** No waiver of any Breach of the Contract shall be interpreted or deemed to be a waiver of any other or subsequent Breach. All remedies afforded in the Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided in the Contract or at law or in equity. A party's failure to insist on strict performance of any section of the Contract shall only be deemed to be a waiver of rights and remedies concerning that specific instance of performance and shall not be deemed to be a waiver of any subsequent rights, remedies or Breach.

5. **Suspension.** If the Agency determines in its sole discretion that the health and welfare of the Clients or public safety is being adversely affected, the Agency may immediately suspend in whole or in part the Contract without prior notice and take any action that it deems to be necessary or appropriate for the benefit of the Clients. The Agency shall notify the Contractor of the specific reasons for taking such action in writing within five (5) Days of immediate suspension. Within five (5) Days of receipt of this notice, the Contractor may request in writing a meeting with the Agency Head or designee. Any such meeting shall be held within five (5) Days of the written request, or such later time as is mutually agreeable to the parties. At the meeting, the Contractor shall be given an opportunity to present information on why the Agency's actions should be reversed or modified. Within five (5) Days of such meeting, the Agency shall notify the Contractor in writing of his/her decision upholding, reversing or modifying the action of the Agency head or designee. This action of the Agency head or designee shall be considered final.

6. **Ending the Contractual Relationship.**

(a) This Contract shall remain in full force and effect for the duration of its entire term or until such time as it is terminated earlier by either party or cancelled. Either party may terminate this contract by providing at least sixty (60) days prior written notice pursuant to the Notice requirements of this Contract.

(b) The Agency may immediately terminate the Contract in whole or in part whenever the Agency makes a determination that such termination is in the best interest of the State. Notwithstanding Section D.2, the Agency may immediately terminate or cancel this Contract in the event that the Contractor or any subcontractors becomes financially unstable to the point of threatening its ability to conduct the services required under this Contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or its assets.

(c) The Agency shall notify the Contractor in writing of Termination pursuant to subsection (b) above, which shall specify the effective date of termination and the extent to which the Contractor must complete or immediately cease performance. Such Notice of Termination shall be sent in accordance with the Notice provision contained on page 1 of this Contract. Upon receiving the Notice from the Agency, the Contractor shall immediately discontinue all Services affected in accordance with the Notice, undertake all reasonable and necessary efforts to mitigate any losses or damages, and deliver to the Agency all Records as defined in Section A.14, unless otherwise instructed by the Agency in writing, and take all actions that are necessary or appropriate, or that the Agency may reasonably direct, for the protection of Clients and preservation of any and all property. Such Records are deemed to be the property of the Agency and the Contractor shall deliver them to the Agency no later than thirty (30) days after the Termination of the Contract or fifteen (15) days after the Contractor receives a written request from the Agency for the specified records whichever is less. The Contractor shall deliver those Records that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to ASCII or .TXT.

(d) The Agency may terminate the Contract at any time without prior notice when the funding for the Contract is no longer available.

(e) The Contractor shall deliver to the Agency any deposits, prior payment, advance payment or down payment if the Contract is terminated by either party or cancelled within thirty (30) days after receiving demand from the Agency. The Contractor shall return to the Agency any funds not expended in accordance with the terms and conditions of the Contract and, if the Contractor fails to do so upon demand, the Agency may recoup said funds from any future payments owing under this Contract or any other contract between the State and the Contractor. Allowable costs, as detailed in audit findings, incurred until the date of termination or cancellation for operation or transition of program(s) under this Contract shall not be subject to recoupment.

7. **Transition after Termination or Expiration of Contract.**

(a) If this Contract is terminated for any reason, cancelled or it expires in accordance with its term, the Contractor shall do and perform all things which the Agency determines to be necessary or appropriate to assist in the orderly transfer of Clients served under this Contract and shall assist in the orderly cessation of Services it performs under this Contract. In order to complete such transfer and wind down the performance, and only to the extent necessary or appropriate, if such activities are expected to take place beyond the stated end of the Contract term then the Contract shall be deemed to have been automatically extended by the mutual consent of the parties prior to its expiration without any affirmative act of either party, including executing an amendment to the Contract to extend the term, but only until the transfer and winding down are complete.

(b) If this Contract is terminated, cancelled or not renewed, the Contractor shall return to the Agency any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this Contract in accordance with the written instructions from the Agency in accordance with the Notice provision of this Contract. Written instructions shall include, but not be limited to, a description of the equipment to be returned, where the equipment shall be returned to and who is responsible to pay for the delivery/shipping costs. Unless the Agency specifies a shorter time frame in the letter of instructions, the Contractor shall affect the returns to the Agency no later than sixty (60) days from the date that the Contractor receives Notice.

E. Statutory and Regulatory Compliance.

1. Health Insurance Portability and Accountability Act of 1996.

(a) If the Contactor is a Business Associate under the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Contractor must comply with all terms and conditions of this Section of the Contract. If the Contractor is not a Business Associate under HIPAA, this Section of the Contract does not apply to the Contractor for this Contract.

(b) The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the Contract in accordance with all applicable federal and state law regarding confidentiality, which includes but is not limited to HIPAA, more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E; and

(c) The State of Connecticut Agency named on page 1 of this Contract ("Agency") is a "covered entity" as that term is defined in 45 C.F.R. § 160.103; and

(d) The Contractor, on behalf of the Agency, performs functions that involve the use or disclosure of "individually identifiable health information," as that term is defined in 45 C.F.R. § 160.103; and

(e) The Contractor is a "business associate" of the Agency, as that term is defined in 45 C.F.R. § 160.103; and

(f) The Contractor and the Agency agree to the following in order to secure compliance with the HIPAA, the requirements of Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), (Pub. L. 111-5, §§ 13400 to 13423), and more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E.

(g) Definitions

(1) "Breach" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. § 17921(1)).

(2) "Business Associate" shall mean the Contractor.

(3) "Covered Entity" shall mean the Agency of the State of Connecticut named on page 1 of this Contract.

(4) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.

(5) "Electronic Health Record" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. § 17921(5)).

(6) "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).

(7) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E.

(8) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.

(9) "Required by Law"" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.

(10) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

(11) "More stringent" shall have the same meaning as the term "more stringent" in 45 C.F.R. § 160.202.

(12) "This Section of the Contract" refers to the HIPAA Provisions stated herein, in their entirety.

(13) "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R. § 164.304.

(14) "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. part 160 and part 164, subpart A and C.

(15) "Unsecured protected health information" shall have the same meaning as the term as defined in section 13402(h)(1)(A) of HITECH. Act. (42 U.S.C. §17932(h)(1)(A)).

(h) Obligations and Activities of Business Associates.

(1) Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law.

(2) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.

(3) Business Associate agrees to use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Covered Entity.

(4) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.

(5) Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract or any security incident of which it becomes aware.

(6) Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.

(7) Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.

(8) Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.

(9) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or

received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

(10) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.

(11) Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with subsection (h)(10) of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder. Business Associate agrees at the Covered Entity's direction to provide an accounting of disclosures of PHI directly to an individual in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.

(12) Business Associate agrees to comply with any state or federal law that is more stringent than the Privacy Rule.

(13) Business Associate agrees to comply with the requirements of the HITECH Act relating to privacy and security that are applicable to the Covered Entity and with the requirements of 45 C.F.R. §§ 164.504(e), 164.308, 164.310, 164.312, and 164.316.

(14) In the event that an individual requests that the Business Associate

(A) restrict disclosures of PHI;

(B) provide an accounting of disclosures of the individual's PHI; or

(C) provide a copy of the individual's PHI in an electronic health record,

(D) the Business Associate agrees to notify the covered entity, in writing, within five (5) business days of the request.

(15) Business Associate agrees that it shall not, directly or indirectly, receive any remuneration in exchange for PHI of an individual without

(A) the written approval of the covered entity, unless receipt of remuneration in exchange for PHI is expressly authorized by this Contract and

(B) the valid authorization of the individual, except for the purposes provided under section 13405(d)(2) of the HITECH Act, (42 U.S.C. § 17935(d)(2)) and in any accompanying regulations

(16) Obligations in the Event of a Breach.

(A) The Business Associate agrees that, following the discovery of a breach of unsecured protected health information, it shall notify the Covered Entity of such breach in accordance with the requirements of section 13402 of HITECH (42 U.S.C. § 17932(b)) and this Section of the Contract.

(B) Such notification shall be provided by the Business Associate to the Covered Entity without unreasonable delay, and in no case later than 30 days after the breach is discovered by the Business Associate, except as otherwise instructed in writing by a law enforcement official

pursuant to section 13402(g) of HITECH (42 U.S.C. § 17932(g)). A breach is considered discovered as of the first day on which it is, or reasonably should have been, known to the Business Associate. The notification shall include the identification and last known address, phone number and email address of each individual (or the next of kin of the individual if the individual is deceased) whose unsecured protected health information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, or disclosed during such breach.

(C) The Business Associate agrees to include in the notification to the Covered Entity at least the following information:

1. A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known.

2. A description of the types of unsecured protected health information that were involved in the breach (such as full name, Social Security number, date of birth, home address, account number, or disability code).

3. The steps the Business Associate recommends that individuals take to protect themselves from potential harm resulting from the breach.

4. A detailed description of what the Business Associate is doing to investigate the breach, to mitigate losses, and to protect against any further breaches.

5. Whether a law enforcement official has advised either verbally or in writing the Business Associate that he or she has determined that notification or notice to individuals or the posting required under section 13402 of the HITECH Act would impede a criminal investigation or cause damage to national security and; if so, include contact information for said official.

(D) Business Associate agrees to provide appropriate staffing and have established procedures to ensure that individuals informed by the Covered Entity of a breach by the Business Associate have the opportunity to ask questions and contact the Business Associate for additional information regarding the breach. Such procedures shall include a toll-free telephone number, an e-mail address, a posting on its Web site or a postal address. For breaches involving ten or more individuals whose contact information is insufficient or out of date to allow written notification under 45 C.F.R. § 164.404(d)(1)(i), the Business Associate shall notify the Covered Entity of such persons and maintain a toll-free telephone number for ninety (90) days after said notification is sent to the Covered Entity. Business Associate agrees to include in the notification of a breach by the Business Associate to the Covered Entity, a written description of the procedures that have been established to meet these requirements. Costs of such contact procedures will be borne by the Contractor.

(E) Business Associate agrees that, in the event of a breach, it has the burden to demonstrate that it has complied with all notifications requirements set forth above, including evidence demonstrating the necessity of a delay in notification to the Covered Entity.

(i) Permitted Uses and Disclosure by Business Associate.

(1) General Use and Disclosure Provisions Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

(2) Specific Use and Disclosure Provisions

(A) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

(B) Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(C) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

(j) Obligations of Covered Entity.

(1) Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. § 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

(2) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(3) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(k) Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Section of the Contract.

(l) Term and Termination.

(1) Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when the information collected in accordance with provision (h)(10) of this Section of the Contract is provided to the Covered Entity and all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

(2) Termination for Cause Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(A) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or

(B) Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or

(C) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(3) Effect of Termination.

(A) Except as provided in (l)(2) of this Section of the Contract, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall also provide the information collected in accordance with section (h)(10) of this Section of the Contract to the Covered Entity within ten business days of the notice of termination. This section shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(B) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

(m) Miscellaneous Sections.

(1) Regulatory References. A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.

(2) Amendment. The Parties agree to take such action as in necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

(3) Survival. The respective rights and obligations of Business Associate shall survive the termination of this Contract.

(4) Effect on Contract. Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the Contract shall remain in force and effect.

(5) Construction. This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies, and is consistent with, the Privacy Standard.

(6) Disclaimer. Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, civil or criminal penalty, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, contractors or agents, or any third party to whom Business Associate has disclosed PHI contrary to the sections of this Contract or applicable law. Business Associate is solely responsible for all decisions made, and actions taken,

by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.

(7) Indemnification. The Business Associate shall indemnify and hold the Covered Entity harmless from and against any and all claims, liabilities, judgments, fines, assessments, penalties, awards and any statutory damages that may be imposed or assessed pursuant to HIPAA, as amended or the HITECH Act, including, without limitation, attorney's fees, expert witness fees, costs of investigation, litigation or dispute resolution, and costs awarded thereunder, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this section of the contract, under HIPAA, the HITECH Act, the Privacy Rule and the Security Rule.

2. **Americans with Disabilities Act.** The Contractor shall be and remain in compliance with the Americans with Disabilities Act of 1990 (http://www.ada.gov/) as amended from time to time ("Act") to the extent applicable, during the term of the Contract. The Agency may cancel or terminate this Contract if the Contractor fails to comply with the Act. The Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. The Contractor warrants that it shall hold the State harmless from any liability which may be imposed upon the state as a result of any failure of the Contractor to be in compliance with this Act. As applicable, the Contractor shall comply with section 504 of the Federal Rehabilitation Act of 1973, as amended from time to time, 29 U.S.C. § 794 (Supp. 1993), regarding access to programs and facilities by people with disabilities.

3. **Utilization of Minority Business Enterprises.** The Contractor shall perform under this Contract in accordance with 45 C.F.R. Part 74; and, as applicable, C.G.S. §§ 4a-60 to 4a-60a and 4a-60g to carry out this policy in the award of any subcontracts.

4. **Priority Hiring.** Subject to the Contractor's exclusive right to determine the qualifications for all employment positions, the Contractor shall give priority to hiring welfare recipients who are subject to time-limited welfare and must find employment. The Contractor and the Agency shall work cooperatively to determine the number and types of positions to which this Section shall apply.

5. **Non-discrimination.**

(a) For purposes of this Section, the following terms are defined as follows:

(1) "Commission" means the Commission on Human Rights and Opportunities;
(2) "Contract" and "contract" include any extension or modification of the Contract or contract;
(3) "Contractor" and "contractor" include any successors or assigns of the Contractor or contractor;
(4) "Gender identity or expression" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose.
(5) "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;
(6) "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;
(7) "marital status" means being single, married as recognized by the State of Connecticut, widowed, separated or divorced;
(8) "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders;

(9) "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and

(10) "public works contract" means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of this Section, the terms "Contract" and "contract" do not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

(b)

(1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved;

(2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission;

(3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and

(5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

(c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.

(g)

(1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

(2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and

(4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.

(h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

6. **Freedom of Information.**

(a) Contractor acknowledges that the Agency must comply with the Freedom of Information Act, C.G.S. §§ 1-200 et seq. ("FOIA") which requires the disclosure of documents in the possession of the State upon request of any citizen, unless the content of the document falls within certain categories of exemption, as defined by C.G.S. § 1-210(b).

(b) Governmental Function. In accordance with C.G.S. § 1-218, if the amount of this Contract exceeds two million five hundred thousand dollars ($2,500,000), and the Contractor is a "person" performing a "governmental function", as those terms are defined in C.G.S. §§ 1-200(4) and (11), the Agency is entitled to receive a copy of the Records and files related to the Contractor's performance of the governmental function, which may be disclosed by the Agency pursuant to the FOIA.

7. **Whistleblowing.** This Contract is subject to C.G.S. § 4-61dd if the amount of this Contract is a "large state contract" as that term is defined in C.G.S. § 4-61dd(h). In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars ($5,000) for each offense, up to a maximum of twenty per cent (20%) of the value of this Contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state Contractor, as defined in the statute, shall post a notice of the relevant sections of the statute relating to large state Contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

8. **Executive Orders.** This Contract is subject to Executive Order No. 3 of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices; Executive Order No. 17 of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings; Executive Order No. 16 of Governor John G. Rowland, promulgated August 4, 1999, concerning violence in the workplace. This Contract may also be subject to Executive Order 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms and Executive Order 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions. All of these Executive orders are incorporated into and made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, the Agency shall provide a copy of these Orders to the Contractor.

9. **Campaign Contribution Restrictions**. For all State contracts as defined in C.G.S. § 9-612(g) the authorized signatory to this Contract expressly acknowledges receipt of the State Elections Enforcement Commission's ("SEEC") notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See SEEC Form 11 reproduced below: www.ct.gov/seecwww.ct.gov/seec

CONNECTICUT STATE ELECTIONS ENFORCEMENT COMMISSION
Rev. 1/11
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Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations

This notice is provided under the authority of Connecticut General Statutes §9-612(g)(2), as amended by P.A. 10-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined on the reverse side of this page).

CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract* or *state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

On and after January 1, 2011, no state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall knowingly *solicit* contributions from the state contractor's or prospective state contractor's employees or from a *subcontractor* or *principals of the subcontractor* on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

DUTY TO INFORM

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

PENALTIES FOR VIOLATIONS

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties—Up to $2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of up to $2,000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or not more than $5,000 in fines, or both.

CONTRACT CONSEQUENCES

In the case of a state contractor, contributions made or solicited in violation of the above prohibitions may result in the contract being voided.

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State shall not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to "Lobbyist/Contractor Limitations."

DEFINITIONS

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes, (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

"Subcontractor" means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty first of the year in which the subcontract terminates. "Subcontractor" does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a subcontractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a subcontractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the subcontractor.

SIGNATURES AND APPROVALS

049ACR-MFP-01 / 08DSS7101AS A3

The Contractor IS a Business Associate under the Health Insurance Portability and Accountability Act of 1996 as amended.

Documentation necessary to demonstrate the authorization to sign must be attached.

CONTRACTOR - ALLIED COMMUNITY RESOURCES, INC.

[redacted]

Carol A. Bohnet, *Executive Director*

12/28/2011
Date

DEPARTMENT OF SOCIAL SERVICES

[redacted]

CLAUDETTE BEAULIEU, *Deputy Commissioner*

12/30/11
Date

OFFICE OF THE ATTORNEY GENERAL

[redacted]

ASST. / Assoc. Attorney General (Approved as to form & legal sufficiency)

1/18/12
Date

OAG Template 18
04/09

STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES

CONTRACT AMENDMENT

Contractor:	ALLIED COMMUNITY RESOURCES, INC.
Contractor Address:	6 CRAFTSMAN ROAD, EAST WINDSOR, CT 06088
Contract Number:	049ACR-MFP-01 / 08DSS7101AS
Amendment Number:	A2
Amount as Amended:	$3,355,331
Contract Term as Amended:	10/01/2008 – 12/31/2011

The contract between **Allied Community Resources, Inc.** (the Contractor) and the Department of Social Services (the Department), which was last executed by the parties and approved by the Office of the Attorney General on 3/15/2010, is hereby further amended as follows:

1. The total maximum amount payable under this contract is increased by **$1,866,622** from $1,488,709 to $3,355,331 to fund Program service delivery to 12/31/2011.

2. The budget on page 5 of amendment A1 is deleted and replaced in its entirety by the budget on page 2 of this amendment.

3. The term of the contract is extended for one additional year and the end date of the contract is changed from 12/31/2010 to 12/31/2011.

This document constitutes an amendment to the above numbered contract. All provisions of that contract, except those explicitly changed above by this amendment, shall remain in full force and effect.

	SFY 2009 10/1/08 - 6/30/09	SFY 2010 7/1/09 - 6/30/10	SFY 2011 7/1/10 - 12/31/10	SFY 2011 1/1/11- 6/30/11	SFY 2012 7/1/11 - 12/31/11	Former 10/1/08 - 6/30/10 TOTAL	Revised Total	
PROGRAM ADMINISTRATION								
PERSONNEL EXPENSES								
SALARIES	$14,523	$94,087	$81,250	$81,250	$ 109,000	$52,563	$380,110	
FRINGE	$2,032	$18,817	$16,250	$16,250	$ 21,800	$7,358	$75,149	
TOTAL PERSONNEL	**$16,555**	**$112,904**	**$97,500**	**$ 97,500**	**$ 130,800**	**$59,921**	**$455,259**	
OPERATING EXPENSES								
PAYROLL & PROVIDER PROCESSING	$500	$2,300	$2,750	$2,750	$3,250	$1,300	$11,550	
PHONE/FAX	$0	$685	$525	$525	$650	$235	$2,385	
OFFICE EXPENSE	$350	$1,500	$1,125	$1,125	$1,600	$1,350	$5,700	
POSTAGE	$525	$2,250	$1,690	$1,690	$2,000	$1,525	$8,155	
EQUIPMENT/MAINT	$0	$0	$500	$500	$1,250	$0	$2,250	
MIS (Hardware, Support & Software)	$6,402	$10,000	$3,000	$3,000	$4,000	$7,402	$26,402	FN 1
VEHICLE & TRAVEL EXPENSE	$300	$1,500	$1,125	$1,125	$2,500	$1,300	$6,550	
FACILITIES (Rent, Utilities, Insurance)	$0	$1,800	$1,350	$1,350	$1,620	$1,200	$6,120	FN 2
FURNITURE	$0	$1,500	$1,125	$1,125	$1,125	$0	$4,875	
LEGAL	$0	$250	$375	$375	$375	$250	$1,375	
AUDIT	$598	$2,500	$2,500	$2,500	$2,500	$3,098	$10,598	
TOTAL OPERATING EXPENSES	$8,675	$24,285	$16,065	**$16,065**	**$20,870**	$17,660	**$85,960**	
Fidelity Bond	$0	$0	$650	$650	$850	$0	$2,150	
TOTAL PERSONNEL & OPERATING EXPENSES	$25,230	$137,189	$114,215	**$114,215**	**$ 152,520**	$77,581	**$543,369**	FN 3
Overhead @ 11%	$2,775	$15,091	$12,565	$12,565	$16,780	$8,534	$59,775	
TOTAL PROGRAM ADMINISTRATION BUDGET	**$28,005**	**$152,280**	$126,780	**$126,780**	**$169,300**	$86,115	**$603,145**	
PROGRAM SERVICES BUDGET								
Transitional Services	$75,300	$65,100	$69,000	$213,000	$156,000	$97,400	$578,400	
State-funded Transitional Services	$54,500	$54,500	$27,250	$27,250	$27,250	$109,000	$190,750	
Personal Care Services	$100,000	$425,222				$100,000	$525,222	
Demo Services 24 hr				$100,000	$100,000		$200,000	
Transitional Services Housing				$56,547	$8,300		$64,847	
Demo Services DDS		$46,337	$137,685	$316,251	$560,444		$1,060,717	
TOTAL PROGRAM SERVICES BUDGET	**$229,800**	**$591,159**	$233,935	$713,048	$851,994	$306,400	**$2,619,936**	
State funded transitional services								
Fee-for-Service Budget	$5,500	$5,500	$2,750	$2,750	$2,750	$11,000	$19,250	
PROCESSING FUND ADVANCES BUDGET	$56,500	$56,500				$113,000	$113,000	
TOTAL CONTRACT BUDGET	**$319,805**	**$805,439**	**$363,465**	**$842,578**	**$1,024,044**	$516,515	**$3,355,331**	

FN1, FN2, FN3 - Overlap with ABI, PCA, Elder through 6/30/11 only

SIGNATURE AND APPROVALS

049ACR-MFP-01 / 08DSS7101AS A2

The Contractor IS a Business Associate under the Health Insurance Portability and Accountability Act of 1996 as amended.

Documentation necessary to demonstrate the authorization to sign must be attached.

CONTRACTOR - ALLIED COMMUNITY RESOURCES, INC.

[redacted] 12/29/2010

Carol Bohnet, *Executive Director* Date

DEPARTMENT OF SOCIAL SERVICES

[redacted] 12/30/10

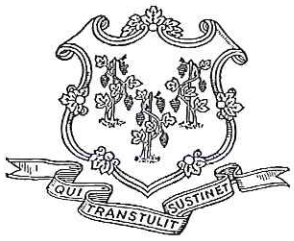
Michael P. Starkowski, *Commissioner* Date

OFFICE OF THE ATTORNEY GENERAL

[redacted] 2/9/11

~~ASST.~~ / Assoc. Attorney General (Approved as to form & legal sufficiency) Date

ASSOC. ATTY. GENERAL



STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES

CONTRACT AMENDMENT

Contractor:	ALLIED COMMUNITY RESOURCES, INC.
Contractor Address:	6 CRAFTSMAN ROAD, EAST WINDSOR, CT 06088
Contract Number:	049ACR-MFP-01 / 08DSS7101AS
Amendment Number:	A1
Amount as Amended:	$1,488,709
Contract Term as Amended:	10/01/08 - ~~09/30/10~~ 12/31/2010

The contract between **Allied Community Resources, Inc.** (the Contractor) and the Department of Social Services (the Department), which was last executed by the parties and approved by the Office of the Attorney General on 05/29/09, is hereby amended as follows:

1. The total maximum amount payable under this contract is **increased by $972,194, from $516,515 to $1,488,709.** The additional funding shall be used to deliver Program services for the original population, and to provide Program services to persons served by the State of Connecticut Department of Developmental Services (DDS) who are transitioning from nursing home care under the Department's Money Follows the Person Program (MFP)

2. The term of the contract is extended for an additional six months and the end date of the contract is changed from June 30, 2010 to December 31, 2010.

3. The budget in Part I Section P.3.d.i of the original contract is hereby deleted and replaced by the budget on page 5 of this amendment.

4. Part I Section C of the original contract is hereby deleted and replaced by the following section:

C. <u>Fiscal Intermediary Responsibilities.</u>

1. The Contractor shall:

   a. Operate a payment system to process invoices and timesheets from and disburse payments to Vendors and Individual Providers that have provided services to a Participant in accordance with the Participant's Plan and within the terms of the Participant's Budget and/or Transition Budget;

   b. Enroll and throughout the term of this contract maintain their enrollment as a Medicaid Provider with the Department in order to submit requests for reimbursement to EDS for payments made by the Contractor through the Processing Account;

c. Receive from the Department Processing Fund Advances to process payments to Vendors for the provision of Demonstration Services to Participants other than Personal Care Services for elders and Demonstration Services for persons served by DDS as authorized by the Department;

d. Establish a separate Processing Account with a "sweep" function to receive the Processing Fund Advances. When the balance of the Processing Account is sufficient, as determined by the financial institution that houses the Processing Account, ensure that the "sweep" function is activated. The "sweep portion" of the Processing Account must be invested in U.S. Treasuries and repurchase agreements backed by U.S. Treasuries and the interest must be credited on a monthly basis;

   i. On the Contractor's books, the interest from the sweep account must be recorded as a liability designated as "DSS Interest Payable".

   ii. The Contractor shall report the DSS Interest Payable quarterly to the Department. The Processing Account shall be a separate bank account, fully insured by the FDIC, and shall be used by the Fiscal Intermediary for Demonstration Service payments to Vendors and Individual Providers, including payroll payments for Household Employees and non-labor related expenses in each participant's Individual Budget for those Participants who would be otherwise eligible for the ABI or PCA waiver.

e. Request from EDS reimbursement of payments made by the Contractor from the Processing Account to Vendors for the provision of Demonstration Services to Participants as authorized by the Department and set forth in the Participant's Plan;

f. Receive from the Department Program Service Fund Advances to be used by the Contractor for payments to Vendors for the provision of Transition Services, Demonstration Services for persons served by DDS, or Personal Care Services authorized by the Department and set forth in the Participant's Plan;

g. Establish and maintain throughout this contract a designated mailing address at which the Contractor shall receive invoices, time sheets, and receipts for authorized services;

h. Enroll Vendors and Individual Providers, meeting the qualifications established in the Departments MFP Operating Protocol for the provision of Demonstration and/or Transition Services, in the Provider Directory as defined in Section I.B.20;

i. Maintain a directory of Individual Providers from which Participants may select to provide services in accordance with a Participant's Plan approved by the Department and within the Participant's corresponding Budget and/or Transition Budget;

j. Implement a training program for those Vendors and Individual Providers who seek to be added to the directory of qualified providers to provide Demonstration and/or Transition services to those Participants targeted for the ABI Waiver;

k. Develop, implement and maintain a training program for Participants who elect to hire Individual Providers. The training program shall include an on-going assessment of and additional training for Participants who hire Individual Providers to ensure continued compliance with hiring and employment responsibilities;

l. Develop and implement Quality Assurance measures that shall, at a minimum, evaluate Participant satisfaction and payroll and billing accuracy;

m. Provide Fiscal Intermediary Services to support an MFP participant's receipt of authorized Demonstration Services and, if authorized, Transition Services on an annualized basis to no more than 100 MFP Participants and no more than an additional 150 MFP Participants eligible for Demonstration Services but for whom the only service authorized is Transition Service. In addition, provide Transition Services to MFP Participants not eligible for Demonstration Services on a fee-for-service basis.

n. Receive from the Department a plan for each Participant (the Participant's Plan) that, among other things, identifies the Demonstration Services and/or Transition Services that the Participant is authorized to receive. Each Participant Plan will have a corresponding Participant Budget authorized by the Department identifying the funds available for the provision of Demonstration Services and/or a corresponding Transition Services and/or Personal Care Assistance Services identified in the Participant's Plan. The Contractor shall maintain a separate file with all documents for each Participant;

o. For each Vendor identified in the Participant's Plan, the Contractor shall:

   i. Notify the Vendor that the Department has authorized their services in the Participant Budget and or Transition Services Budget;

   ii. Instruct the Vendor to submit all invoices for the provision of services to the Contractor at a specified address;

   iii. Provide the invoice forms necessary for the Vendor to properly submit for payment; and

   iv. Provide materials that explain the manner and format in which the Vendor is to submit invoices to the Contractor and the Contractor's schedule for the payment of invoices.

p. The Contractor shall review invoices and/or timesheets from Vendors against the Participant's Plan to validate that the services provided were authorized in the Plan.

q. The Contractor shall make payments to Vendors in accordance with the invoice so long as the services were provided in accordance with the Participants' Plan and the payments are within the Participant's Budget and/or Transition Services Budget authorized by the Department.

r. The Contractor shall process payments to Vendors for the provision of authorized Demonstration Services with funds in the Processing Account and shall submit such payments to EDS for reimbursement to the Processing Account.

s. The Contractor shall process payments to Vendors for the provision of authorized Transition Services, authorized Demonstration Services for persons served by DDS, or for Personal Care Services through the Program Service Fund Advances provided by the Department.

   i. The Contractor shall upload monthly billing data attributed to authorized DDS MFP Demonstration services though Tumbleweed to the Department of Administrative Services (DAS). DAS accesses this data through the secure site and submits billing to EDS for authorized DDS MFP Demonstration services.

t. The Contractor shall notify the Participant and the Department's MFP unit following the Contractor's receipt of an invoice for payment for services and supports that are not in the Participant's Plan and corresponding budget. The Contractor shall not process any such invoices unless and until the invoice has been authorized by the Department through a signed amendment/adjustment form for services and supports.

u. The Contractor shall monitor expenditures against a Participant's Plan and corresponding budget and shall notify the Participant and Department's MFP unit of any variance in line items that exceeds the monthly budgeted amount for the specific line item.

v. The Contractor shall obtain written approval from the Department prior to paying any line item that exceeds the authorized amount in the Participant's Budget and/or Transition Budget. A copy of the Department's approval shall be maintained by the Contractor in the Participant's file. Excess payments made by the Contractor without the Department's approval shall be the responsibility of the Contractor.

w. The Contractor shall make adjustments in and amendments to Participant Budgets and/or Transition Budget when authorized in writing by the Department.

x. The Contractor shall process all non-labor related invoices, including payment to Vendors, as specified in the Participant's Budget and/or Transition Budget.

y. The Contractor shall verify that the non-labor related service or support or product billed through the invoice is specified in the authorized Participant's Plan, Budget and/or Transition Budget prior to making payment.

z. The Contactor shall make payments to Vendors and Individual Providers using a variety of payment methods, including electronic transfer, direct deposit, and by check through US Mail.

aa. The Contractor shall make payments to Vendors and Individual Providers for services and supports that are properly invoiced and are authorized through the Participant's Transition Budget within five business days of receipt of the invoice.

bb. If following a Participants' receipt of MFP Demonstration Services for 365 days, the Contractor is notified by the Department that the Participant continues to be eligible to receive services under the Department's PCA, ABI, DDS, or Elder Pilot program the contractor shall, in conjunction with the Department, transition the Participant to the appropriate program as determined by the Department.

5. Part I Section P.2.a.ii of the original contract is hereby deleted and replaced by the following section:

ii. Budget Component B: Program Services – The Program Services component of the budget identifies the service dollars by programs that are to be used by the Contractor for payments to Individual Providers and Vendors for the provision of Transition Services, Demonstration Services for persons served by DDS, and or Personal Care Services to Participants as authorized by the Participant's Plan.

6. The following section is appended to Part I of the original contract:

R. COST SHARE. The Contractor shall administer cost sharing requirements for all non Medicaid state funded clients as defined in PA 09-05 Section 66 according to procedures approved by the Department.

7. The Additional Terms and Conditions section on pages 20 through 36 of the original contract are hereby deleted and replaced by the Part II Revised 2009 on pages 6 through 25 of this amendment.

This document constitutes an amendment to the above numbered contract. All provisions of that contract, except those explicitly changed above by this amendment, shall remain in full force and effect.

	SFY 2009 10/01/08 - 06/30/09	SFY 2010 07/01/09 - 06/30/10	SFY 2010 07/01/09 - 06/30/10 REVISED	SFY 2011 7/01/10 - 12/31/10 NEW	Former 10/1/08 - 6/30/2010 TOTAL	Revised Total	
PROGRAM ADMINISTRATION							
PERSONNEL EXPENSES							
SALARIES	$14,523	$38,040	$94,087	$81,250	$52,563	$189,860	
FRINGE	$2,032	$5,326	$18,817	$16,250	$7,358	$37,099	
TOTAL PERSONNEL	$16,555	$43,366	$112,904	$97,500	$59,921	$226,959	
OPERATING EXPENSES							
PAYROLL & PROVIDER PROCESSING	$500	$800	$2,300	$2,750	$1,300	$5,550	
PHONE/FAX		$235	$685	$525	$235	$1,210	
OFFICE EXPENSE	$350	$1,000	$1,500	$1,125	$1,350	$2,975	
POSTAGE	$525	$1,000	$2,250	$1,690	$1,525	$4,465	
EQUIPMENT/MAINT				$500		$500	FN 1
MIS (Hardware, Support & Software)	$6,402	$1,000	$10,000	$3,000	$7,402	$19,402	
VEHICLE & TRAVEL EXPENSE	$300	$1,000	$1,500	$1,125	$1,300	$2,925	FN 2
FACILITIES (Rent, Utilities, Insurance)		$1,200	$1,800	$1,350	$1,200	$3,150	
FURNITURE			$1,500	$1,125		$2,625	
LEGAL		$250	$250	$375	$250	$625	
AUDIT	$598	$2,500	$2,500	$2,500	$3,098	$5,598	
TOTAL OPERATING EXPENSES	$8,675	$8,985	$24,285	$16,065	$17,660	$49,025	
Fidelity Bond				$650		$650	FN 3
TOTAL PERSONNEL & OPERATING EXPENSES	$25,230	$52,351	$137,189	$114,215	$77,581	$276,634	
Overhead @ 11%	$2,775	$5,759	$15,091	$12,565	$8,534	$30,431	
TOTAL PROGRAM ADMIN BUDGET	$28,005	$58,110	$152,280	$126,780	$86,115	$307,065	
PROGRAM SERVICES BUDGET							
Transitional Services	$75,300	$22,100	$65,100	$69,000	$97,400	$209,400	
State-funded Transitional Services	$54,500	$54,500	$54,500	$27,250	$109,000	$136,250	
Personal Care Services	$100,000		$425,222		$100,000	$525,222	
Demo Services DDS			$46,337	$137,685		$184,022	
TOTAL PROGRAM SERVICES BUDGET	$229,800	$76,600	$591,159	$233,935	$306,400	$1,054,894	
State funded transitional services Fee-for-Service Budget	$5,500	$5,500	$5,500	$2,750	$11,000	$13,750	
PROCESSING FUND ADVANCES BUDGET	$56,500	$56,500	$56,500		$113,000	$113,000	
TOTAL CONTRACT BUDGET	$319,805	$196,710	$805,439	$363,465	$516,515	$1,488,709	

FN 1, 2, & 3: costs absorbed through ABI/PCA contract budget

PART II. TERMS AND CONDITIONS

The Contractor shall comply with the following terms and conditions.

A. **DEFINITIONS.** Unless otherwise indicated, the following terms shall have the following corresponding definitions:

1. **"Bid"** shall mean a bid submitted in response to a solicitation.

2. **"Breach"** shall mean a party's failure to perform some contracted-for or agreed-upon act, or his failure to comply with a duty imposed by law which is owed to another or to society.

3. **"Cancellation"** shall mean an end to the Contract affected pursuant to a right which the Contract creates due to a Breach.

4. **"Claims"** shall mean all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum.

5. **"Client"** shall mean a recipient of the Contractor's services.

6. **"Contract"** shall mean this agreement, as of its effective date, between the Contractor and the State for Services.

7. **"Contractor Parties"** shall mean a Contractor's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract (e.g. subcontractor) and the Contractor intends for such other person or entity to perform under the Contract in any capacity. For the purpose of this contract, vendors of support services, not otherwise known as human service providers or educators, shall not be considered subcontractors, e.g. lawn care, unless such activity is considered part of a training, vocational or educational program.

8. **"Data"** shall mean all results, technical information and materials developed and/or obtained in the performance of the Services hereunder, including but not limited to all reports, survey and evaluation tools, surveys and evaluations, plans, charts, recordings (video and/or sound), pictures, curricula, electronically prepared presentations, public awareness or prevention campaign materials, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda, and documents, whether finished or unfinished, which result from or are prepared in connection with the Services performed hereunder.

9. **"Day"** shall mean all calendar days, other than Saturdays, Sundays and days designated as national or State of Connecticut holidays upon which banks in Connecticut are closed.

10. **"Expiration"** shall mean an end to the Contract due to the completion in full of the mutual performances of the parties or due to the Contract's term being completed.

11. **"Force Majeure"** shall mean events that materially affect the Services or the time schedule within which to perform and are outside the control of the party asserting that such an event has occurred, including, but not limited to, labor troubles unrelated to the Contractor, failure of or inadequate permanent power, unavoidable casualties, fire not caused by the Contractor, extraordinary weather conditions, disasters, riots, acts of God, insurrection or war.

12. **"Records"** shall mean all working papers and such other information and materials as may have been accumulated and/or produced by the Contractor in performing the Contract, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form.

13. **"Services"** shall mean the performance of Services as stated in Part I of this Contract.

14. **"State"** shall mean the State of Connecticut, including any agency, office, department, board, council, commission, institution or other executive branch agency of State Government.

15. **"Termination"** shall mean an end to the Contract affected pursuant to a right which the Contract creates, other than for a Breach.

B. CLIENT-RELATED SAFEGUARDS.

1. **Inspection of Work Performed.** The Agency or its authorized representative shall at all times have the right to enter into the Contractor's premises, or such other places where duties under the Contract are being performed, to inspect, to monitor or to evaluate the work being performed. The Contractor and all subcontractors must provide all reasonable facilities and assistance to Agency representatives. All inspections and evaluations shall be performed in such a manner as will not unduly delay work. The Contractor shall disclose information on clients, applicants and their families as requested unless otherwise prohibited by federal or state law. Written evaluations pursuant to this Section shall be made available to the Contractor.

2. **Safeguarding Client Information.** The Agency and the Contractor shall safeguard the use, publication and disclosure of information on all applicants for and all Clients who receive Services under this Contract with all applicable federal and state law concerning confidentiality and as may be further provided under the Contract.

3. **Reporting of Client Abuse or Neglect.** The Contractor shall comply with all reporting requirements relative to Client abuse and neglect, including but not limited to requirements as specified in C.G.S.§§ 17a-101 through 103, 19a-216, 46b-120 (related to children); C.G.S.§ 46a-11b (relative to persons with mental retardation); and C.G.S.§ 17b-407 (relative to elderly persons).

4. **Background Checks.** The State may require that the Contractor and Contractor Parties undergo criminal background checks as provided for in the State of Connecticut Department of Public Safety Administration and Operations Manual or such other State document as governs procedures for background checks. The Contractor and Contractor Parties shall cooperate fully as necessary or reasonably requested with the State and its agents in connection with such background checks.

C. CONTRACTOR OBLIGATIONS.

1. **Cost Standards.** Effective January 1, 2007, the Contractor and funding state Agency shall comply with the Cost Standards issued by OPM, as may be amended from time to time. The Cost Standards are published by OPM on the Web at http://ct.gov/opm/fin/cost_standards. Such Cost Standards shall apply to:

   (a) all new contracts effective on or after January 1, 2007;

   (b) all contract amendments modifying funding, effective on or after January 1, 2007;

   (c) all contracts in effect on or after July 1, 2007.

2. **Credits and Rights in Data.** Unless expressly waived in writing by the Agency, all Records and publications intended for public distribution during or resulting from the performances of this Contract shall include a statement acknowledging the financial support of the State and the Agency and, where applicable, the federal government. All such publications shall be released in conformance with applicable federal and state law and all regulations regarding confidentiality. Any liability arising from such a release by the Contractor shall be the sole responsibility of the Contractor and the Contractor shall indemnify and hold harmless the Agency, unless the Agency or its agents co-authored said publication and said release is done with the prior written approval of the Agency Head. All publications shall contain the following statement: "This publication does not express the

views of the [insert Agency name] or the State of Connecticut. The views and opinions expressed are those of the authors." Neither the Contractor nor any of its agents shall copyright Data and information obtained under this Contract, unless expressly previously authorized in writing by the Agency. The Agency shall have the right to publish, duplicate, use and disclose all such Data in any manner, and may authorize others to do so. The Agency may copyright any Data without prior Notice to the Contractor. The Contractor does not assume any responsibility for the use, publication or disclosure solely by the Agency of such Data.

3. **Organizational Information, Conflict of Interest, IRS Form 990.** During the term of the Contract and the 180 days following its date of Termination and/or Cancellation, the Contractor shall submit to the Agency copies of the following within thirty (30) days after having filed them:

   (a) its most recent IRS Form 990 submitted to the federal Internal Revenue Service, and

   (b) its most recent Annual Report filed with the Connecticut Secretary of the State's Office or such other information that the Agency deems appropriate with respect to the organization and affiliation of the Contractor and related entities.

4. **Federal Funds.**

   (a) The Contractor shall comply with requirements relating to the receipt or use of federal funds. The Agency shall specify all such requirements in Part I of this Contract.

   (b) The Contractor acknowledges that the Agency has established a policy, as mandated by section 6032 of the Deficit Reduction Act (DRA) of 2005, P.L. 109-171, that provides detailed information about the Federal False Claims Act, 31 U.S.C. §§ 3729-3733, and other laws supporting the detection and prevention of fraud and abuse.

      (1) Contractor acknowledges that is has received a copy of said policy and shall comply with its terms, as amended, and with all applicable state and federal laws, regulations and rules. Contractor shall provide said policy to subcontractors and shall require compliance with the terms of the policy. Failure to abide by the terms of the policy, as determined by the Agency, shall constitute a Breach of this Contract and may result in termination of this Contract.

   (c) This section applies if, under this Contract, the Contractor or Contractor Parties furnishes, or otherwise authorizes the furnishing of health care items or services, performs billing or coding functions, or is involved in monitoring of health care provided by the Agency.

   (d) Contractor represents that it is not excluded, debarred, suspended or otherwise ineligible to participate in federal health care programs.

   (e) Contractor shall not, for purposes of performing the Contract with the Agency, knowingly employ or contract with, with or without compensation: (A) any individual or entity listed by a federal agency as excluded, debarred, suspended or otherwise ineligible to participate in federal health care programs; or (B) any person or entity who is excluded from contracting with the State of Connecticut or the federal government (as reflected in the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, Department of Health and Human Services, Office of Inspector General (HHS/OIG) Excluded Parties list and the Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons List). Contractor shall immediately notify the Agency should it become subject to an investigation or inquiry involving items or services reimbursable under a federal health care program or be listed as ineligible for participation in or to perform services in connection with such program. The Agency may terminate this Contract immediately if at any point the Contractor, subcontractor or any of their employees are sanctioned, suspended, excluded from or otherwise become ineligible to participate in federal health care programs.

5. **Audit Requirements.**

(a) The State Auditors of Public Accounts shall have access to all Records for the fiscal year(s) in which the award was made. The Contractor shall provide for an annual financial audit acceptable to the Agency for any expenditure of state-awarded funds made by the Contractor. Such audit shall include management letters and audit recommendations. The Contractor shall comply with federal and state single audit standards as applicable.

(b) The Contractor shall make all of its and the Contractor Parties' Records available at all reasonable hours for audit and inspection by the State, including, but not limited to, the Agency, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents. Requests for any audit or inspection shall be in writing, at least ten (10) days prior to the requested date. All audits and inspections shall be at the requester's expense. The State may request an audit or inspection at any time during the Contract term and for three (3) years after Termination, Cancellation or Expiration of the Contract. The Contractor shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Contractor shall cooperate with an exit conference.

(c) For purposes of this subsection as it relates to State grants, the word "Contractor" shall be read to mean "nonstate entity," as that term is defined in C.G.S. § 4-230.

6. **Related Party Transactions.** The Contractor shall report all related party transactions, as defined in this section, to the Agency on an annual basis in the appropriate fiscal report as specified in Part I of this Contract. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to directly or indirectly exercise influence or control. "Related party transactions" between a Contractor or Contractor Party and a related party include, but are not limited to:

(a) real estate sales or leases;

(b) leases for equipment, vehicles or household furnishings;

(c) mortgages, loans and working capital loans; and

(d) contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by the Contractor or Contractor Party.

7. **Suspension or Debarment.** In addition to the representations and requirements set forth in Section C.4:

(a) The Contractor certifies for itself and Contractor Parties involved in the administration of federal or state funds that they:

(1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental agency (federal, state or local);

(2) within a three year period preceding the effective date of this Contract, have not been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; for violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

(3) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the above offenses; (4) have not within a three year period preceding the effective date of this Contract had one or more public transactions terminated for cause or fault.

(b) Any change in the above status shall be immediately reported to the Agency.

8. **Liaison.** Each Party shall designate a liaison to facilitate a cooperative working relationship between the Contractor and the Agency in the performance and administration of this Contract.

9. **Subcontracts.** Each Contractor Party's identity, services to be rendered and costs shall be detailed in Part I of this Contract. Absent compliance with this requirement, no Contractor Party may be used or expense paid under this Contract unless expressly otherwise provided in Part I of this Contract. No Contractor Party shall acquire any direct right of payment from the Agency by virtue of this section or any other section of this Contract. The use of Contractor Parties shall not relieve the Contractor of any responsibility or liability under this Contract. The Contractor shall make available copies of all subcontracts to the Agency upon request.

10. **Independent Capacity of Contractor.** The Contractor and Contractor Parties shall act in an independent capacity and not as officers or employees of the state of Connecticut or of the Agency.

11. **Indemnification.**

(a) The Contractor shall indemnify, defend and hold harmless the state of Connecticut and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all:

(1) claims arising directly or indirectly, in connection with the Contract, including the acts of commission or omission (collectively the "Acts") of the Contractor or Contractor Parties; and

(2) liabilities, damages, losses, costs and expenses, including but not limited to attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the Contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its indemnification and hold-harmless obligations under this Contract. The Contractor's obligations under this section to indemnify, defend and hold harmless against claims includes claims concerning confidentiality of any part of or all of the bid or any records, and intellectual property rights, other propriety rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the performance of the Contract.

(b) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor or any Contractor Parties. The State shall give the Contractor reasonable notice of any such claims.

(c) The Contractor's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the Contract, without being lessened or compromised in any way, even where the Contractor is alleged or is found to have merely contributed in part to the Acts giving rise to the claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the claims.

(d) The Contractor shall carry and maintain at all times during the term of the Contract, and during the time that any sections survive the term of the Contract, sufficient general liability insurance to satisfy its obligations under this Contract. The Contractor shall name the State as an additional insured on the policy and shall provide a copy of the policy to the Agency prior to the effective date of the Contract. The Contractor shall not begin performance until the delivery of the policy to the Agency.

(e) The rights provided in this section for the benefit of the State shall encompass the recovery of attorneys' and other professionals' fees expended in pursuing a claim against a third party.

(f) This section shall survive the Termination, Cancellation or Expiration of the Contract, and shall not be limited by reason of any insurance coverage.

12. **Insurance.** Before commencing performance, the Agency may require the Contractor to obtain and maintain specified insurance coverage. In the absence of specific Agency requirements, the Contractor shall obtain and maintain the following insurance coverage at its own cost and expense for the duration of the Contract:

(a) Commercial General Liability. $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall include, Premises and Operations, Independent Contractors, Products and Completed Operations, Contractual Liability, and Broad Form Property Damage coverage. If a general aggregate is used, the general aggregate limit shall apply separately to the services to be performed under this Contract or the general aggregate limit shall be twice the occurrence limit;

(b) Automobile Liability. $1,000,000 combined single limit per accident for bodily injury. Coverage extends to owned, hired and non-owned automobiles. If the vendor/contractor does not own an automobile, but one is used in the execution of this Contract, then only hired and non-owned coverage is required. If a vehicle is not used in the execution of this Contract then automobile coverage is not required.

(c) Professional Liability. $1,000,000 limit of liability, if applicable; and/or

(d) Workers' Compensation and Employers Liability. Statutory coverage in compliance with the Compensation laws of the State of Connecticut. Coverage shall include Employer's Liability with minimum limits of $100,000 each accident, $500,000 Disease – Policy limit, $100,000 each employee.

13. **Choice of Law/Choice of Forum, Settlement of Disputes, Claims Against the State.**

(a) The Contract shall be deemed to have been made in the City of Hartford, State of Connecticut. Both Parties agree that it is fair and reasonable for the validity and construction of the Contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

(b) Any dispute concerning the interpretation or application of this Contract shall be decided by the Agency Head or his/her designee whose decision shall be final, subject to any rights the Contractor may have pursuant to state law. In appealing a dispute to the Agency Head pursuant to this section, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final resolution of a dispute, the Contractor and the Agency shall proceed diligently with the performance of the Contract.

(c) The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this Contract shall be in accordance with Title 4, Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings, except as authorized by that Chapter, in any state or federal court in addition to or in lieu of said Chapter 53 proceedings.

14. **Compliance with Law and Policy, Facility Standards and Licensing.** Contractor shall comply with all:

(a) pertinent local, state and federal laws and regulations as well as Agency policies and procedures applicable to contractor's programs as specified in this Contract. The Agency shall notify the Contractor of any applicable new or revised laws, regulations, policies or procedures which the Agency has responsibility to promulgate or enforce; and

(b) applicable local, state and federal licensing, zoning, building, health, fire and safety regulations or ordinances, as well as standards and criteria of pertinent state and federal authorities. Unless otherwise provided by law, the Contractor is not relieved of compliance while formally contesting the authority to require such standards, regulations, statutes, ordinance or criteria.

15. **Representations and Warranties.** Contractor shall:

(a) perform fully under the Contract;

(b) pay for and/or secure all permits, licenses and fees and give all required or appropriate notices with respect to the provision of Services as described in Part I of this Contract; and

(c) adhere to all contractual sections ensuring the confidentiality of all Records that the Contractor has access to and are exempt from disclosure under the State's Freedom of Information Act or other applicable law.

16. **Reports.** The Contractor shall provide the Agency with such statistical, financial and programmatic information necessary to monitor and evaluate compliance with the Contract. All requests for such information shall comply with all applicable state and federal confidentiality laws. The Contractor shall provide the Agency with such reports as the Agency requests as required by this Contract.

17. **Delinquent Reports.** The Contractor shall submit required reports by the designated due dates as identified in this Contract. After notice to the Contractor and an opportunity for a meeting with an Agency representative, the Agency reserves the right to withhold payments for services performed under this Contract if the Agency has not received acceptable progress reports, expenditure reports, refunds, and/or audits as required by this Contract or previous contracts for similar or equivalent services the Contractor has entered into with the Agency. This section shall survive any Termination of the Contract or the Expiration of its term.

18. **Record Keeping and Access.** The Contractor shall maintain books, Records, documents, program and individual service records and other evidence of its accounting and billing procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature incurred in the performance of this Contract. These Records shall be subject at all reasonable times to monitoring, inspection, review or audit by authorized employees or agents of the State or, where applicable, federal agencies. The Contractor shall retain all such Records concerning this Contract for a period of three (3) years after the completion and submission to the State of the Contractor's annual financial audit.

19. **Encryption of Data.**

(a) The Contractor, at its own expense, shall encrypt any and all electronically stored data now or hereafter in its possession or control located on non-state owned or managed devices that the State, in accordance with its existing state policies classifies as confidential or restricted. The method of encryption shall be compliant with the State of Connecticut Enterprise Wide Technical Architecture ("EWTA") or such other method as deemed acceptable by the Agency. This shall be a continuing obligation for compliance with the EWTA standard as it may change from time to time. The EWTA domain architecture documents can be found at http://www.ct.gov/doit/cwp/view.asp?a=1245&q=253968.

(b) In the event of a breach of security or loss of State data, the Contractor shall notify the Agency and the OAG as soon as practical but not later than twenty-four (24) hours after the discovery or suspicion of

such breach or loss that such data has been comprised through breach or loss. The requirements of this section are in addition to those that may apply under Part II, Section E.

20. **Workforce Analysis.** The Contractor shall provide a workforce Analysis Affirmative Action report related to employment practices and procedures.

21. **Litigation.**

(a) The Contractor shall require that all Contractor Parties, as appropriate, disclose to the Contractor, to the best of their knowledge, any Claims involving the Contractor Parties that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to perform fully under the Contract, no later than ten (10) days after becoming aware or after they should have become aware of any such Claims. Disclosure shall be in writing.

(b) The Contractor shall provide written Notice to the Agency of any final decision by any tribunal or state or federal agency or court which is adverse to the Contractor or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against the Contractor or its employee or agent under the Americans with Disabilities Act of 1990 as revised or amended from time to time, Executive Orders Nos. 3 & 17 of Governor Thomas J. Meskill and any other requirements of federal or state law concerning equal employment opportunities or nondiscriminatory practices.

22. **Sovereign Immunity.** The Contractor and Contractor Parties acknowledge and agree that nothing in the Contract, or the solicitation leading up to the Contract, shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of the Contract. To the extent that this Section conflicts with any other Section, this Section shall govern.

D. CHANGES TO THE CONTRACT, TERMINATION, CANCELLATION, AND EXPIRATION.

1. **Contract Amendment.**

(a) No amendment to or modification or other alteration of this Contract shall be valid or binding upon the parties unless made in writing, signed by the parties and, if applicable, approved by the Connecticut Attorney General.

(b) The Agency may amend this Contract to reduce the contracted amount of compensation if:

(1) the total amount budgeted by the State for the operation of the Agency or Services provided under the program is reduced or made unavailable in any way; or

(2) federal funding reduction results in reallocation of funds within the Agency.

(c) If the Agency decides to reduce the compensation, the Agency shall send written Notice to the Contractor. Within twenty (20) Days of the Contractor's receipt of the Notice, the Contractor and the Agency shall negotiate the implementation of the reduction of compensation unless the parties mutually agree that such negotiations would be futile. If the parties fail to negotiate an implementation schedule, then the Agency may terminate the Contract effective no earlier than sixty (60) Days from the date that the Contractor receives written notification of Termination and the date that work under this Contract shall cease.

2. **Contractor Changes and Assignment.**

(a) The Contractor shall notify the Agency in writing:

(1) at least ninety (90) days prior to the effective date of any fundamental changes in the Contractor's corporate status, including merger, acquisition, transfer of assets, and any change in fiduciary responsibility;

(2) no later than ten (10) days from the effective date of any change in:

(A) its certificate of incorporation or other organizational document;

(B) more than a controlling interest in the ownership of the Contractor; or

(C) the individual(s) in charge of the performance.

(b) No such change shall relieve the Contractor of any responsibility for the accuracy and completeness of the performance. The Agency, after receiving written Notice from the Contractor of any such change, may require such contracts, releases and other instruments evidencing, to the Agency's satisfaction, that any individuals retiring or otherwise separating from the Contractor have been compensated in full or that allowance has been made for compensation in full, for all work performed under terms of the Contract. The Contractor shall deliver such documents to the Agency in accordance with the terms of the Agency's written request. The Agency may also require, and the Contractor shall deliver, a financial statement showing that solvency of the Contractor is maintained. The death of any Contractor Party, as applicable, shall not release the Contractor from the obligation to perform under the Contract; the surviving Contractor Parties, as appropriate, must continue to perform under the Contract until performance is fully completed.

(c) Assignment. The Contractor shall not assign any of its rights or obligations under the Contract, voluntarily or otherwise, in any manner without the prior written consent of the Agency.

(1) The Contractor shall comply with requests for documentation deemed to be appropriate by the Agency in considering whether to consent to such assignment.

(2) The Agency shall notify the Contractor of its decision no later than forty-five (45) Days from the date the Agency receives all requested documentation.

(3) The Agency may void any assignment made without the Agency's consent and deem such assignment to be in violation of this Section and to be in Breach of the Contract. Any cancellation of this Contract by the Agency for a Breach shall be without prejudice to the Agency's or the State's rights or possible claims against the Contractor.

3. **Breach.**

(a) If either party Breaches this Contract in any respect, the non-breaching party shall provide written notice of the Breach to the breaching party and afford the breaching party an opportunity to cure within ten (10) Days from the date that the breaching party receives the notice. In the case of a Contractor Breach, the Agency may modify the ten (10) day cure period in the notice of Breach. The right to cure period shall be extended if the non-breaching party is satisfied that the breaching party is making a good faith effort to cure, but the nature of the Breach is such that it cannot be cured within the right to cure period. The Notice may include an effective Contract Termination date if the Breach is not cured by the stated date and, unless otherwise modified by the non-breaching party in writing prior to the Termination date, no further action shall be required of any party to effect the Termination as of the stated date. If the notice does not set forth an effective Contract Termination date, then the non-breaching party may terminate the Contract by giving the breaching party no less than twenty four (24) hours' prior written Notice after the expiration of the cure period.

(b) If the Agency believes that the Contractor has not performed according to the Contract, the Agency may:

(1) withhold payment in whole or in part pending resolution of the performance issue, provided that the Agency notifies the Contractor in writing prior to the date that the payment would have been due in accordance with the budget;

(2) temporarily discontinue all or part of the Services to be provided under the Contract;

(3) permanently discontinue part of the Services to be provided under the Contract;

(4) assign appropriate State personnel to provide contracted for Services to assure continued performance under the Contract until such time as the contractual Breach has been corrected to the satisfaction of the Agency;

(5) require that contract funding be used to enter into a subcontract with a person or persons designated by the Agency in order to bring the program into contractual compliance;

(6) take such other actions of any nature whatsoever as may be deemed appropriate for the best interests of the State or the program(s) provided under this Contract or both; or

(7) any combination of the above actions.

(c) The Contractor shall return all unexpended funds to the Agency no later than thirty (30) calendar days after the Contractor receives a demand from the Agency.

(d) In addition to the rights and remedies granted to the Agency by this Contract, the Agency shall have all other rights and remedies granted to it by law in the event of Breach of or default by the Contractor under the terms of this Contract.

(e) The action of the Agency shall be considered final. If at any step in this process the Contractor fails to comply with the procedure and, as applicable, the mutually agreed plan of correction, the Agency may proceed with Breach remedies as listed under this section.

4. **Non-enforcement Not to Constitute Waiver.** No waiver of any Breach of the Contract shall be interpreted or deemed to be a waiver of any other or subsequent Breach. All remedies afforded in the Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided in the Contract or at law or in equity. A party's failure to insist on strict performance of any section of the Contract shall only be deemed to be a waiver of rights and remedies concerning that specific instance of performance and shall not be deemed to be a waiver of any subsequent rights, remedies or Breach.

5. **Suspension.** If the Agency determines in its sole discretion that the health and welfare of the clients or public safety is being adversely affected, the Agency may immediately suspend in whole or in part the Contract without prior notice and take any action that it deems to be necessary or appropriate for the benefit of the clients. The Agency shall notify the Contractor of the specific reasons for taking such action in writing within five (5) Days of immediate suspension. Within five (5) Days of receipt of this notice, the Contractor may request in writing a meeting with the Agency Head or designee. Any such meeting shall be held within five (5) Days of the written request, or such later time as is mutually agreeable to the parties. At the meeting, the Contractor shall be given an opportunity to present information on why the Agency's actions should be reversed or modified. Within five (5) Days of such meeting, the Agency shall notify the Contractor in writing of his/her decision upholding, reversing or modifying the action of the Agency head or designee. This action of the Agency head or designee shall be considered final.

6. Ending the Contractual Relationship.

(a) This Contract shall remain in full force and effect for the duration of its entire term or until such time as it is terminated earlier by either party. Either party may terminate this contract by providing at least sixty (60) days prior written notice pursuant to the Notice requirements of this Contract.

(b) The Agency may immediately terminate the Contract in whole or in part whenever the Agency makes a determination that such termination is in the best interest of the State. Notwithstanding Section D.2, the Agency may immediately terminate or cancel this Contract in the event that the Contractor or any subcontractors becomes financially unstable to the point of threatening its ability to conduct the services required under this Contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or its assets.

(c) The Agency shall notify the Contractor in writing of Termination pursuant to subsection (b) above, which shall specify the effective date of termination and the extent to which the Contractor must complete or immediately cease performance. Such Notice of Termination shall be sent in accordance with the Notice provision contained on page 1 of this Contract. Upon receiving the Notice from the Agency, the Contractor shall immediately discontinue all Services affected in accordance with the Notice, undertake all reasonable and necessary efforts to mitigate any losses or damages, and deliver to the Agency all Records as defined in Section A.12, unless otherwise instructed by the Agency in writing, and take all actions that are necessary or appropriate, or that the Agency may reasonably direct, for the protection of Clients and preservation of any and all property. Such Records are deemed to be the property of the Agency and the Contractor shall deliver them to the Agency no later than thirty (30) days after the Termination of the Contract or fifteen (15) days after the Contractor receives a written request from the Agency for the specified records whichever is less. The Contractor shall deliver those Records that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to ASCII or .TXT.

(d) The Agency may terminate the Contract at any time without prior notice when the funding for the Contract is no longer available.

(e) The Contractor shall deliver to the Agency any deposits, prior payment, advance payment or down payment if the Contract is terminated by either party within thirty (30) days after receiving demand from the Agency. The Contractor shall return to the Agency any funds not expended in accordance with the terms and conditions of the Contract and, if the Contractor fails to do so upon demand, the Agency may recoup said funds from any future payments owing under this Contract or any other contract between the State and the Contractor. Allowable costs, as detailed in audit findings, incurred until the date of termination for operation or transition of program(s) under this Contract shall not be subject to recoupment.

7. Transition after Termination or Expiration of Contract.

(a) If this Contract is terminated for any reason or it expires in accordance with its term, the Contractor shall do and perform all things which the Agency determines to be necessary or appropriate to assist in the orderly transfer of Clients served under this Contract and shall assist in the orderly cessation of Services it performs under this Contract. In order to complete such transfer and wind down the performance, and only to the extent necessary or appropriate, if such activities are expected to take place beyond the stated end of the Contract term then the Contract shall be deemed to have been automatically extended by the mutual consent of the parties prior to its expiration without any affirmative act of either party, including executing an amendment to the Contract to extend the term, but only until the transfer and winding down are complete.

(b) If this Contract is terminated, cancelled or not renewed, the Contractor shall return to the Agency any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this Contract in accordance with the written

instructions from the Agency in accordance with the Notice provision of this Contract. Written instructions shall include, but not be limited to, a description of the equipment to be returned, where the equipment shall be returned to and who is responsible to pay for the delivery/shipping costs. Unless the Agency specifies a shorter time frame in the letter of instructions, the Contractor shall affect the returns to the Agency no later than sixty (60) days from the date that the Contractor receives Notice.

E. STATUTORY AND REGULATORY COMPLIANCE.

1. Health Insurance Portability and Accountability Act of 1996.

(a) If the Contactor is a Business Associate under the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Contractor must comply with all terms and conditions of this Section of the Contract. If the Contractor is not a Business Associate under HIPAA, this Section of the Contract does not apply to the Contractor for this Contract.

(b) The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the Contract in accordance with all applicable federal and state law regarding confidentiality, which includes but is not limited to HIPAA, more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E; and

(c) The State of Connecticut Agency named on page 1 of this Contract ("Agency") is a "covered entity" as that term is defined in 45 C.F.R. § 160.103; and

(d) The Contractor, on behalf of the Agency, performs functions that involve the use or disclosure of "individually identifiable health information," as that term is defined in 45 C.F.R. § 160.103; and

(e) The Contractor is a "business associate" of the Agency, as that term is defined in 45 C.F.R. § 160.103; and

(f) The Contractor and the Agency agree to the following in order to secure compliance with the HIPAA, the requirements of Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), (Pub. L. 111-5, §§ 13400 to 13423)[1], and more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E.

(g) Definitions

(1) "Breach" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. §17921(1)).

(2) "Business Associate" shall mean the Contractor.

(3) "Covered Entity" shall mean the Agency of the State of Connecticut named on page 1 of this Contract.

(4) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.

(5) "Electronic Health Record" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. §17921(5).

[1] The effective date of the HITECH Act is February 17, 2010.

(6) "Individual" shall have the same meaning as the term "individual"' in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).

(7) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E.

(8) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.

(9) "Required by Law"' shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.

(10) "Secretary' shall mean the Secretary of the Department of Health and Human Services or his designee.

(11) "More stringent" shall have the same meaning as the term "more stringent" in 45 C.F.R. § 160.202.

(12) "This Section of the Contract" refers to the HIPAA Provisions stated herein, in their entirety.

(13) "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R. § 164.304.

(14) "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. part 160 and part 164, subpart A and C.

(15) "Unsecured protected health information" shall have the same meaning as the term as defined in section 13402(h)(1)(A) of HITECH. Act. (42 U.S.C. §17932(h)(1)(A)).

(h) Obligations and Activities of Business Associates.

(1) Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law.

(2) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.

(3) Business Associate agrees to use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Covered Entity.

(4) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.

(5) Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract or any security incident of which it becomes aware.

(6) Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the

Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.

(7) Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.

(8) Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.

(9) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

(10) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.

(11) Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with subsection (h)(10) of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder. Business Associate agrees at the Covered Entity's direction to provide an accounting of disclosures of PHI directly to an individual in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.

(12) Business Associate agrees to comply with any state or federal law that is more stringent than the Privacy Rule.

(13) Business Associate agrees to comply with the requirements of the HITECH Act relating to privacy and security that are applicable to the Covered Entity and with the requirements of 45 C.F.R. §§ 164.504(e), 164.308, 164.310, 164.312, and 164.316.

(14) In the event that an individual requests that the Business Associate

(A) restrict disclosures of PHI;

(B) provide an accounting of disclosures of the individual's PHI; or

(C) provide a copy of the individual's PHI in an electronic health record, the Business Associate agrees to notify the covered entity, in writing, within two business days of the request.

(15) Business Associate agrees that it shall not, directly or indirectly, receive any remuneration in exchange for PHI of an individual without

(A) the written approval of the covered entity, unless receipt of remuneration in exchange for PHI is expressly authorized by this Contract and

(B) the valid authorization of the individual, except for the purposes provided under section 13405(d)(2) of the HITECH Act, (42 U.S.C. § 17935(d)(2)) and in any accompanying regulations

(16) Obligations in the Event of a Breach.

(A) The Business Associate agrees that, following the discovery of a breach of unsecured protected health information, it shall notify the Covered Entity of such breach in accordance with the requirements of section 13402 of HITECH (42 U.S.C. 17932(b) and this Section of the Contract.

(B) Such notification shall be provided by the Business Associate to the Covered Entity without unreasonable delay, and in no case later than 30 days after the breach is discovered by the Business Associate, except as otherwise instructed in writing by a law enforcement official pursuant to section 13402(g) of HITECH (42 U.S.C. 17932(g)). A breach is considered discovered as of the first day on which it is, or reasonably should have been, known to the Business Associate. The notification shall include the identification and last known address, phone number and email address of each individual (or the next of kin of the individual if the individual is deceased) whose unsecured protected health information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, or disclosed during such breach.

(C) The Business Associate agrees to include in the notification to the Covered Entity at least the following information:

1. A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known.

2. A description of the types of unsecured protected health information that were involved in the breach (such as full name, Social Security number, date of birth, home address, account number, or disability code).

3. The steps the Business Associate recommends that individuals take to protect themselves from potential harm resulting from the breach.

4. A detailed description of what the Business Associate is doing to investigate the breach, to mitigate losses, and to protect against any further breaches.

5. Whether a law enforcement official has advised either verbally or in writing the Business Associate that he or she has determined that notification or notice to individuals or the posting required under section 13402 of the HITECH Act would impede a criminal investigation or cause damage to national security and; if so, include contact information for said official.

(D) Business Associate agrees to provide appropriate staffing and have established procedures to ensure that individuals informed by the Covered Entity of a breach by the Business Associate have the opportunity to ask questions and contact the Business Associate for additional information regarding the breach. Such procedures shall include a toll-free telephone number, an e-mail address, a posting on its Web site and a postal address. Business Associate agrees to include in the notification of a breach by the Business Associate to the Covered Entity, a written

description of the procedures that have been established to meet these requirements. Costs of such contact procedures will be borne by the Contractor.

(E) Business Associate agrees that, in the event of a breach, it has the burden to demonstrate that it has complied with all notifications requirements set forth above, including evidence demonstrating the necessity of a delay in notification to the Covered Entity.

(i) Permitted Uses and Disclosure by Business Associate.

(1) General Use and Disclosure Provisions Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

(2) Specific Use and Disclosure Provisions

(A) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

(B) Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(C) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

(j) Obligations of Covered Entity.

(1) Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. § 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

(2) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(3) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(k) Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Section of the Contract.

(l) Term and Termination.

(1) Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when the information collected in accordance with provision (h)(10) of this Section of the Contract is provided to the Covered Entity and all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

(2) Termination for Cause Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(A) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or

(B) Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or

(C) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(3) Effect of Termination.

(A) Except as provided in (l)(2) of this Section of the Contract, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall also provide the information collected in accordance with section (h)(10) of this Section of the Contract to the Covered Entity within ten business days of the notice of termination. This section shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(B) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

(m) Miscellaneous Sections.

(1) Regulatory References. A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.

(2) Amendment. The Parties agree to take such action as in necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

(3) Survival. The respective rights and obligations of Business Associate shall survive the termination of this Contract.

(4) Effect on Contract. Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the Contract shall remain in force and effect.

(5) Construction. This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies, and is consistent with, the Privacy Standard.

(6) Disclaimer. Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, civil or criminal penalty, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, contractors or agents, or any third party to whom Business Associate has disclosed PHI contrary to the sections of this Contract or applicable law. Business Associate is solely responsible for all decisions made, and actions taken, by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.

(7) Indemnification. The Business Associate shall indemnify and hold the Covered Entity harmless from and against any and all claims, liabilities, judgments, fines, assessments, penalties, awards and any statutory damages that may be imposed or assessed pursuant to HIPAA, as amended or the HITECH Act, including, without limitation, attorney's fees, expert witness fees, costs of investigation, litigation or dispute resolution, and costs awarded thereunder, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this section of the contract, under HIPAA, the HITECH Act, the Privacy Rule and the Security Rule.

2. **Americans with Disabilities Act.** The Contractor shall be and remain in compliance with the Americans with Disabilities Act of 1990 (http://www.ada.gov/) as amended from time to time ("Act") to the extent applicable, during the term of the Contract. The Agency may cancel this Contract if the Contractor fails to comply with the Act. The Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. The Contractor warrants that it shall hold the State harmless from any liability which may be imposed upon the state as a result of any failure of the Contractor to be in compliance with this Act. As applicable, the Contractor shall comply with section 504 of the Federal Rehabilitation Act of 1973, as amended from time to time, 29 U.S.C. § 794 (Supp. 1993), regarding access to programs and facilities by people with disabilities.

3. **Utilization of Minority Business Enterprises.** The Contractor shall perform under this contract in accordance with 45 C.F.R. Part 74; and, as applicable, C.G.S. §§ 4a-60 to 4a-60a and 4a-60g to carry out this policy in the award of any subcontracts.

4. **Priority Hiring.** Subject to the Contractor's exclusive right to determine the qualifications for all employment positions, the Contractor shall give priority to hiring welfare recipients who are subject to time-limited welfare and must find employment. The Contractor and the Agency shall work cooperatively to determine the number and types of positions to which this Section shall apply.

5. **Non-discrimination.**

(a) The following subsections are set forth here as required by section 4a-60 of the Connecticut General Statutes:

(1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of

persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved;

(2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;

(3) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) the Contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f;

(5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and section 46a-56.

(b) If the Contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

(c) "Minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons:

(1) Who are active in the daily affairs of the enterprise,

(2) who have the power to direct the management and policies of the enterprise and

(3) who are members of a minority, as such term is defined in subsection (a) of section 32-9n; and

"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

(d) Determination of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(e) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.

(f) The Contractor shall include the provisions of sections (a) and (b) above in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(g) The following subsections are set forth here as required by section 4a-60a of the Connecticut General Statutes:

(1) the Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

(2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56; and

(4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this section and section 46a-56.

(h) The Contractor shall include the provisions of section (g) above in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(i) For the purposes of this entire Non-Discrimination section, "Contract" or "contract" includes any extension or modification of the Contract or contract, "Contractor" or "contractor" includes any successors or assigns of the Contractor or contractor, "marital status" means being single, married as recognized by the state of Connecticut, widowed, separated or divorced, and "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders. For the purposes of this section, "Contract" does not include a contract where each contractor is

(1) a political subdivision of the state, including, but not limited to, a municipality,

(2) a quasi-public agency, as defined in C.G.S.§ 1-120,

(3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in C.G.S.§ 1-267,

(4) the federal government,

(5) a foreign government, or

(6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

6. **Freedom of Information.**

(a) Contractor acknowledges that the Agency must comply with the Freedom of Information Act, C.G.S. §§ 1-200 et seq. ("FOIA") which requires the disclosure of documents in the possession of the State upon request of any citizen, unless the content of the document falls within certain categories of exemption, as defined by C.G.S. § 1□ 210(b).

(b) Governmental Function. In accordance with C.G.S. § 1-218, if the amount of this Contract exceeds two million five hundred thousand dollars ($2,500,000), and the Contractor is a "person" performing a "governmental function", as those terms are defined in C.G.S. §§ 1-200(4) and (11), the Agency is entitled to receive a copy of the Records and files related to the Contractor's performance of the governmental function, which may be disclosed by the Agency pursuant to the FOIA.

7. **Whistleblowing.** This Contract is subject to C.G.S. § 4-61dd if the amount of this Contract is a "large state contract" as that term is defined in C.G.S. § 4-61dd(h). In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars ($5,000) for each offense, up to a maximum of twenty per cent (20%) of the value of this Contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state Contractor, as defined in the statute, shall post a notice of the relevant sections of the statute relating to large state Contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

8. **Campaign Contribution Restrictions.** For all State contracts as defined in C.G.S. § 9-612(g) the authorized signatory to this Contract expressly acknowledges receipt of the State Elections Enforcement Commission's ("SEEC") notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See SEEC Form 11 reproduced below:

NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN

This notice is provided under the authority of Connecticut General Statutes § 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined below):

Campaign Contribution and Solicitation Ban

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract* or *state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or *solicit* contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

Duty to Inform

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

Penalties for Violations

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties—$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of $2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or $5000 in fines, or both.

Contract Consequences

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information and the entire text of P.A. 07-1 may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to "State Contractor Contribution Ban."

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100.

"Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is

employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract,* (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual. "Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

9. **Non-smoking.** If the Contractor is an employer subject to C.G.S. § 31-40q, the Contractor shall provide the Agency with a copy of its written rules concerning smoking. Evidence of compliance with C.G.S. § 31-40q must be received prior to Contract approval by the Agency.

10. **Executive Orders.** This Contract is subject to Executive Order No. 3 of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices; Executive Order No. 17 of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings; Executive Order No. 16 of Governor John G. Rowland, promulgated August 4, 1999, concerning violence in the workplace. This Contract may also be subject to Executive Order 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms and Executive Order 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions. All of these Executive orders are incorporated into and made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, the Agency shall provide a copy of these Orders to the Contractor.

SIGNATURES AND APPROVALS

049ACR-MFP-01 / 08DSS7101AS A1

The Contractor IS a Business Associate under the Health Insurance Portability and Accountability Act of 1996 as amended.

CONTRACTOR - ALLIED COMMUNITY RESOURCES, INC.

[redacted]

Carol Bohnet, *Executive Director*

March 8, 2010
Date

DEPARTMENT OF SOCIAL SERVICES

[redacted]

Michael P. Starkowski, *Commissioner*

3/9/10
Date

OFFICE OF THE ATTORNEY GENERAL

[redacted]

ASST. / ASSOC. Attorney General (approved as to form & legal sufficiency)

3/15/10
Date

ASSOC. ATTY. GENERAL

DEPT. OF SOCIAL SERVICES
CONTRACTS

10 MAR -8 AM 11:58

Rev: 07/05

Original Contract Number:	049ACR-MFP-01 / 08DSS7101AS	
Amendment Number:		
Maximum Contract Value:	$516,515.00	
Contractor Contact Person:	**Carol Bohnet**	Tel: (860) 749-8833
DSS Contact - Contract:	**Andrea C. Beady**	Tel: (860) 424-5780
Program:	**Dawn Lambert**	Tel: (860) 424-4897

STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES
HUMAN SERVICE CONTRACT

Contract Summary

The State of Connecticut DEPARTMENT OF SOCIAL SERVICES

Street: 25 SIGOURNEY STREET

City: HARTFORD **State:** CT **Zip:** 06106

Tel#: (860) 424-5693 **hereinafter "the Department",**

hereby enters into a contract with:

Contractor's Name: **ALLIED COMMUNITY RESOURCES, INC.**

Street: **6 CRAFTSMAN ROAD**

City: **EAST WINDSOR** **State:** **CT** **Zip:** **06088**

Tel#: **(860) 749-8833** **FEIN/SS:** **061538357**

hereinafter " the Contractor" , for the provision of services outlined herein in Part I.

Term of Contract	This contract is in effect from **10/1/2008** through **6/30/2010.**
Statutory Authority	The Department is authorized to enter into this contract pursuant to § 4-8 and 17b-3 of the Connecticut General Statutes.
Set-Aside Status	Contractor ☐ IS or ☒ IS NOT a set aside Contractor pursuant to § 4a-60g of the Connecticut General Statutes.
Effective Date	This contract shall become effective only as of the date of signature by the Department's authorized official(s) and, where applicable, the date of approval by the Attorney General. Upon such execution, this contract shall be deemed effective for the entire Term specified above. This contract may be Amended subject to Part II, Section C.1 of this contract.

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Section I. GENERAL.

A. Description of Services.

1. Pursuant to Section 6071 of the Deficit Reduction Act of 2005, the Department of Health and Human Services, acting by and through the Centers for Medicare and Medicaid Services, approved a request by the State of Connecticut to provide home and community based services to persons who would otherwise be institutionalized. Services are described in the approved Money Follows the Person (MFP) Rebalancing Demonstration Operating Protocol dated June 27, 2008 (hereinafter referred to "MFP OP").
2. Specifically, the Department of Social Services (hereinafter "Department") developed MFP to provide participants the necessary array of supports and services required to transition persons from institutional settings to the community. In addition, those MFP participants who have been institutionalized for at least 6 months may also be eligible to receive MFP Demonstration Services which provide additional services to support persons for the first 365 days of community living. MFP participants are provided with a choice of services and supports necessary for the MFP participant to self-direct their own services to the extent said person desires.
3. The MFP services and supports are grouped into four broad categories of support:
    a. Transition Services not approved under any waiver or in the State Plan are available to all MFP participants;
    b. Demonstration Services are available only to MFP participants who have been institutionalized at least 6 months and who meet the Demonstration Service functional eligibility criteria including,
        i. Home and Community Services approved under the State's 1915C waivers (waiver),
        ii. Personal Care Assistance approved under the Department's Elder Pilot Program for persons eligible for the Elder waiver.
    c. Home and Community Supports approved under the State Medicaid Plan (State Plan) are available to all MFP participants; and
    d. Rental assistance is available only to those MFP participants who have been institutionalized at least 6 months and those MFP participants granted an exception by the Department.
4. Through MFP, the Department, through its Contractors, provides supports and services to institutionalized persons who are elderly, persons with brain injury, persons with physical disabilities, persons with intellectual disabilities and persons with mental illness.
5. The Department contracts with Fiscal Intermediaries to assist Participants and /or Participants' family members through the management and distribution of funds for the necessary supports and services contained in the Participant's Budget. Assistance includes but is not limited to, facilitating the processes necessary for the Participant or the Participants' family members to employ service workers for the Participant. Necessary processes include the withholding and payment of federal, state, and local taxes, unemployment premiums, wage settlements, fiscal accounting and expenditure reports, and all payments to Vendors, Individual Providers and other non-labor-related supports approved by the Department in the Participant's Plan and/or the Participant's Transition Budget as defined in Section B below.
6. Pursuant to the terms of this contract the Contractor shall:
    a. provide Fiscal Intermediary services to support the MFP participant's ability to arrange for and receive Transition Services as authorized by the Department.
    b. provide Fiscal Intermediary services to support the MFP participant's ability to arrange for and receive Demonstration Services as authorized by the Department. The receipt of Demonstration Services authorized by the Department under this contract is limited to those persons who would

otherwise be eligible for the Personal Care Assistance waiver or the Acquired Brain Injury waiver, or to those persons who would otherwise be eligible for Personal Care Assistance approved under the Elder Pilot Program for persons eligible for the Elder waiver.

7. The Contractor shall perform these services in accordance with the terms and conditions of this contract as set forth herein.

B. Definitions. As used in this contract, the following terms shall be defined as follows:

1. **ABI Waiver Program:** The Acquired Brain Injury waiver program administered by the Department of Social Services, pursuant to the ABI Waiver.
2. **Contractor:** Allied Community Resources, Inc.
3. **Contractor Budget:** The Contractor's line-item budget approved by the Department. The Contractor's Budget has three primary components: Program Administration, Program Services, and Processing Funds.
4. **Covered Services:** Services and supports included in the MFP OP. Covered services include Demonstration Services, State Plan Services, and/or Transition Services. Demonstration Services include services such as personal care assistance, companion, independent living skills training, transportation, etc. State Plan Services include services such as nursing, home health aides, occupational therapy and physical therapy. Transition Services includes services such as payment of first month rent, assistive technology, minor home modifications, start up groceries, furniture, dishes, etc.
5. **Demonstration Services:** Home and Community Services approved under the State's 1915C waiver and/or Personal Care Assistance services approved under the Department's Elder Pilot Program for persons eligible for the services under the Elder waiver offered to MFP participants meeting the MFP eligibility criteria for such services. The package of Demonstration Services available to MFP participants varies according to the target waiver. Each package of Demonstration Services is identical to the package of services provided under each target waiver in MFP. Under MFP, the package is referred to as Demonstration Services. After 365 days of Demonstration Services, participants will migrate to the target waiver where services will continue as waiver services.
6. **Department or DSS:** The Connecticut State Department of Social Services.
7. **Elder Waiver:** Home and Community services for persons over the age of 64 who meet the financial and functional eligibility criteria as defined by the Department.
8. **Fiscal Intermediary:** An entity that acts as an agent between the Participants and the Department for the purpose of: (a) offering supportive services including payroll assistance and training as defined in the MFP OP to enable Participants to perform the required Participant functions, (b) confirming Participants' compliance with legal requirements related to employment of Individual Providers, (c) managing payroll for Household Employees, (d) disbursing payments to Vendor Agencies for labor related services provided by Vendors to Participants; and (e) disbursing payments to Vendors or to the participant for non-labor related services approved by the Department in the Individual Budget and/or Individual Transition Budget.
9. **HCBS:** Home and Community-based waivers administered by DSS that enable the State to receive partial reimbursement from the federal government for providing community based services and supports designed to enable individuals to leave institutional settings or to prevent their placement into institutional settings in the first place.
10. **Household Employees:** Individual Providers who are employees of the Participant hired to provide services authorized by the Individual Budget and/or the Individual Transition Budget.
11. **Individual Provider:** Household employees or self employed contractors who are hired by the Participant or Participant's family member, who are not employed by a Vendor and who meet the qualifications established

by the Department to perform a Covered Service under the Department's Home and Community Based Waivers, for whom the Participant is the employer of record.

12. **Participant:** An individual whom the Department has determined is eligible for Covered Services, has an Authorized Budget and or Transition Budget, and receives fiscal intermediary support from a Fiscal Intermediary under this contract with the Department
13. **Participant's Budget:** An itemized budget for each Participant, authorized by the Department, which includes the services, supports, and costs that are necessary for the Participant to live in the community.
14. **Participant's Plan:** The document that defines the scope, duration and Provider of services authorized by the Department for the benefit of the MFP participant. The Contractor is responsible for the provision of fiscal intermediary services to ensure payment for the Participant's receipt of authorized services approved by the Department in each Participant Plan.
15. **Personal Care Assistant:** A Household Employee who provides personal care assistance services such as assistance with bathing.
16. **Processing Account:** An account holding all of the Processing Fund Advances from the Department and all reimbursements to the Contractor from EDS.
17. **Processing Fund Advances:** Funds provided by the Department to the Contractor to disburse payments to Individual Providers and Vendors for the provision of Demonstration Services to Participant's as authorized by the Participant's Plan. Payments from the Processing Fund Advance are limited to those payments which the Contractor expects to receive reimbursement from EDS.
18. **Program Administration and Program Services Account:** An account held by the Contractor into which Program Administration and Program Service Fund advances received from the Department shall be deposited and from which the Contractor shall disburse payments to Vendors for the provision of authorized Transition Services and/or Personal Care Services for Elders.
19. **Program Service Fund Advances:** Funds provided by the Department to the Contractor to disburse payments to Individual Providers and Vendors for the provision of Transition Services and or Personal Care Services to Participants as authorized by the Participant's Plan.
20. **Provider Directory:** A directory that includes names and contact information of Individual Providers from which Participants may select to provide services in accordance with a Participant's Plan.
21. **Self-Directed Participants:** Participants who hire Individual Providers and/or negotiate rates with Vendors.
22. **Transition Budget:** An itemized budget authorized by the Department for an MFP Participant identifying the services and supports and the corresponding costs for the services and supports that are necessary for the Participant to move to the community and which would otherwise not be provided under 1915C Waivers.
23. **Transition Services:** Services and supports authorized by the Department not otherwise provided under 1915C Waivers. Examples may include but not be limited to assistive technology, food, first month's rent, moving expenses, furniture, minor home modifications, dishes, cooking utensils, sheets, blankets and emergency back up assistance.
24. **Vendors:** Human service organizations which have been qualified by the Department to provide Covered Services and for whom the Contractor shall not deduct any withholding payments, such as FICA (Social Security Taxes), FUTA (Federal Unemployment Taxes), state unemployment compensation (UC), and federal or state income tax from disbursements made by the Contractor under this contract.

C. Fiscal Intermediary Responsibilities.

1. The Contractor shall:

a. Operate a payment system to process invoices and timesheets from and disburse payments to Vendors and Individual Providers that have provided services to a Participant in accordance with the Participant's Plan and within the terms of the Participant's Budget and/or Transition Budget;

b. Enroll and throughout the term of this contract maintain their enrollment as a Medicaid Provider with the Department in order to submit requests for reimbursement to EDS for payments made by the Contractor through the Processing Account;

c. Receive from the Department Processing Fund Advances to process payments to Vendors for the provision of Demonstration Services to Participants other than Personal Care Services for elders authorized by the Department;

d. Establish a separate Processing Account with a "sweep" function to receive the Processing Fund Advances. When the balance of the Processing Account is sufficient, as determined by the financial institution that houses the Processing Account, ensure that the "sweep" function is activated. The "sweep portion" of the Processing Account must be invested in U.S. Treasuries and repurchase agreements backed by U.S. Treasuries and the interest must be credited on a monthly basis;

    i. On the Contractor's books, the interest from the sweep account must be recorded as a liability designated as "DSS Interest Payable".

    ii. The Contractor shall report the DSS Interest Payable quarterly to the Department. The Processing Account shall be a separate bank account, fully insured by the FDIC, and shall be used by the Fiscal Intermediary for Demonstration Service payments to Vendors and Individual Providers, including payroll payments for Household Employees and non-labor related expenses in each participant's Individual Budget for those Participants who would be otherwise eligible for the ABI or PCA waiver.

e. Request from EDS reimbursement of payments made by the Contractor from the Processing Account to Vendors for the provision of Demonstration Services to Participants as authorized by the Department and set forth in the Participant's Plan;

f. Receive from the Department Program Service Fund Advances to be used by the Contractor for payments to Vendors for the provision of Transition Services or Personal Care Services authorized by the Department and set forth in the Participant's Plan;

g. Establish and maintain throughout this contract a designated mailing address at which the Contractor shall receive invoices, time sheets, and receipts for authorized services;

h. Enroll Vendors and Individual Providers, meeting the qualifications established in the Departments MFP Operating Protocol for the provision of Demonstration and/or Transition Services, in the Provider Directory as defined in Section I.B.20;

i. Maintain a directory of Individual Providers from which Participants may select to provide services in accordance with a Participant's Plan approved by the Department and within the Participant's corresponding Budget and/or Transition Budget;

j. Implement a training program for those Vendors and Individual Providers who seek to be added to the directory of qualified providers to provide Demonstration and/or Transition services to those Participants targeted for the ABI Waiver;

k. Develop, implement and maintain a training program for Participants who elect to hire Individual Providers. The training program shall include an on-going assessment of and additional training for Participants who hire Individual Providers to ensure continued compliance with hiring and employment responsibilities;

l. Develop and implement Quality Assurance measures that shall, at a minimum, evaluate Participant satisfaction and payroll and billing accuracy;

m. Provide Fiscal Intermediary Services to support an MFP participant's receipt of authorized Demonstration Services and, if authorized, Transition Services on an annualized basis to no more than 75 MFP Participants and no more than an additional 100 MFP Participants eligible for Demonstration Services but for whom the only service authorized is Transition Service. In addition, provide Transition Services to MFP Participants not eligible for Demonstration Services on a fee-for-service basis;

n. Receive from the Department a plan for each Participant (the Participant's Plan) that, among other things, identifies the Demonstration Services and/or Transition Services that the Participant is authorized to receive. Each Participant Plan will have a corresponding Participant Budget authorized by the Department identifying the funds available for the provision of Demonstration Services and/or a corresponding Transition Services and/or Personal Care Assistance Services identified in the Participant's Plan. The Contractor shall maintain a separate file with all documents for each Participant;

o. For each Vendor identified in the Participant's Plan, the Contractor shall:

    i. Notify the Vendor that the Department has authorized their services in the Participant Budget and or Transition Services Budget;

    ii. Instruct the Vendor to submit all invoices for the provision of services to the Contractor at a specified address;

    iii. Provide the invoice forms necessary for the Vendor to properly submit for payment; and

    iv. Provide materials that explain the manner and format in which the Vendor is to submit invoices to the Contractor and the Contractor's schedule for the payment of invoices.

p. The Contractor shall review invoices and/or timesheets from Vendors against the Participant's Plan to validate that the services provided were authorized in the Plan.

q. The Contractor shall make payments to Vendors in accordance with the invoice so long as the services were provided in accordance with the Participants' Plan and the payments are within the Participant's Budget and/or Transition Services Budget authorized by the Department.

r. The Contractor shall process payments to Vendors for the provision of authorized Demonstration Services with funds in the Processing Account and shall submit such payments to EDS for reimbursement to the Processing Account.

s. The Contractor shall process payments to Vendors for the provision of authorized Transition Services or for Personal Care Services through the Program Service Fund Advances provided by the Department.

t. The Contractor shall notify the Participant and the Department's MFP unit following the Contractor's receipt of an invoice for payment for services and supports that are not in the Participant's Plan and corresponding budget. The Contractor shall not process any such invoices unless and until the invoice has been authorized by the Department through a signed amendment/adjustment form for services and supports.

u. The Contractor shall monitor expenditures against a Participant's Plan and corresponding budget and shall notify the Participant and Department's MFP unit of any variance in line items that exceeds the monthly budgeted amount for the specific line item.

v. The Contractor shall obtain written approval from the Department prior to paying any line item that exceeds the authorized amount in the Participant's Budget and/or Transition Budget. A copy of the Department's approval shall be maintained by the Contractor in the Participant's file. Excess payments made by the Contractor without the Department's approval shall be the responsibility of the Contractor.

w. The Contractor shall make adjustments in and amendments to Participant Budgets and/or Transition Budget when authorized in writing by the Department.

x. The Contractor shall process all non-labor related invoices, including payment to Vendors, as specified in the Participant's Budget and/or Transition Budget.

y. The Contractor shall verify that the non-labor related service or support or product billed through the invoice is specified in the authorized Participant's Plan, Budget and/or Transition Budget prior to making payment.

z. The Contactor shall make payments to Vendors and Individual Providers using a variety of payment methods, including electronic transfer, direct deposit, and by check through US Mail.

aa. The Contractor shall make payments to Vendors and Individual Providers for services and supports that are properly invoiced and are authorized through the Participant's Transition Budget within five business days of receipt of the invoice.

bb. If following a Participant's receipt of MFP Demonstration Services for 365 days, the Contractor is notified by the Department that the Participant continues to be eligible to receive services under the Department's PCA, ABI waiver, or Elder Pilot program, the Contractor shall, in conjunction with the Department, transition the Participant to the appropriate program as determined and directed by the Department.

D. <u>Payroll Process.</u>

1. The Contractor shall provide payroll support services for Participants who choose to hire Household Employees. Specifically, the Contractor shall:

   a. Provide an employment packet to a Household Employee identified by a Participant required for the Household Employee to provide and be paid for the provision of services to a Participant. The employment packet shall contain all the Federal and State forms, information, applications, agreements and consent documents required for the Household Employee to provide and be paid for the provision of services to a Participant. The employment packet shall include, but is not limited to the inclusion of the following forms: employment application, IRS Form W-4, IRS Notice 797, Form I-9, BCIS Form I-9, IRS W-5 if applicable, and state form W-4 (if applicable);

   b. Collect all completed employment packets and verify that all forms have been completed in their entirety. Create and maintain all completed forms in a file for the Household Employer;

   c. Pay Household Employees in accordance with federal and state Department of Labor wage and hour rules;

   d. Distribute, collect and process all Household Employees' biweekly time sheets;

   e. Review timesheets for mathematical accuracy and to ensure that the services that were provided have been authorized by the Department as documented in the Participant's Plan or Budget;

   f. Return inaccurate timesheets to the Participants stating the reason for the return without processing for payment;

g. Enter validated timesheets and payment information from the timesheet into the payroll software used by the Contractor for payroll processing;

h. Process and distribute payments to Participants for distribution to Household Employees or directly to Household Employees on behalf of the Participant as authorized by the Participant by Friday of the week following the Contractor's receipt of an accurate timesheet;

i. Process all judgments, garnishments, tax levies or any related holds on a Household Employee's funds as may be required by local, state or federal laws;

j. Track and report the number of Household Employees to which the Contractor provides payroll services;

k. Maintain a Directory of Household Employees who would like to be available for employment by other Participants and/or Participants' families.

    i. The Directory shall include the following information: name, phone, geographic area in which an Individual Provider may work, hours of availability, any additional information that the Household Employee wants to share with Participant;

l. Maintain a file for each Participant documenting all payroll information relevant to the Participant and to each Participant's Household Employee;

    i. For each Participant who hires a Household Employee, the Contractor shall withhold from the payment due to the Household Employee the FICA - Medicare and Social Security and federal income taxes due.

    ii. The Contractor shall file, on a quarterly basis, IRS Forms 941. Each Form shall include all Household Employees employed by a specified Participant and shall identify the Participant by their separate FEIN or PIN.

m. The Contractor shall maintain a copy of each IRS Form 941 filed in the Participant's files. The Contractor shall pay FICA and federal income tax withholding in the aggregate for all Participants it represents and shall maintain relevant documentation each Participant's file;

n. Withhold and file, on an annual basis, an IRS Form 940 for each Participant, using the individual Participant's FEIN in an accurate and timely manner and maintain the relevant documentation in the Participant's file;

o. Pay FUTA for each Participant who employs Household Employees per IRS depositing rules and maintain the relevant documentation in the Participant's files;

p. Manage federal Advanced Earned Income Credit (EIC) for each eligible worker in an accurate and timely manner and maintain the relevant documentation in the Participant's files;

q. Obtain the appropriate state employer registration numbers for income and unemployment tax filing and payment purposes for all Participants it represents and maintain the relevant documentation in the Participant's files;

r. Withhold, file and pay state income tax for all Household Employees per state requirements, and maintain the relevant documentation in the Participant's files;

s. Withhold and file state unemployment insurance tax individually for each Participant employer of record it represents using the individual's FEIN and /or his or her state employer registration number; pay state unemployment taxes per state requirements and maintain the relevant documentation in the Participant's file.

E. End of Year Federal Tax Process.

1. The Contractor shall:

   a. Following receipt of notification that the Contractor has over-collected FICA the Contractor shall refund to Household Employees, on behalf of the affected Participant, the excess collected FICA in accordance with the December 18, 2000 IRS letter. The Contractor shall process the refund within a commercially reasonable period of time and shall maintain supporting documentation in the Participant's record;

   b. Prepare and distribute to Household Employees IRS Forms W-2 in accordance with IRS instructions for agents. If processing 250 or more IRS Form W-2 the Contractor shall utilize electronic/magnetic filing and shall maintain supporting documentation in the Participant's record;

   c. Prepare any other Federal and State tax reporting requirements that the IRS and State of Connecticut require in accordance with the timeframes and procedures established by the IRS and State of Connecticut.

F. Outreach for Providers and Maintenance of a Provider Directory.

1. In conjunction with and as required by the ABI and PCA Waiver Contracts, the Contractor shall conduct outreach and establish, maintain and keep current a Provider Directory for the benefit of MFP Participants and ABI and PCA waiver participants. In addition the Contractor shall:

   a. Conduct a minimum of four job seeker events per year to inform prospective Individual Providers about the Provider Directory and employment opportunities for Individual Providers of Covered Services;

   b. Distribute the Department's Provider Manual or, at a minimum, the qualification requirements for specialty requirements and the Provider Directory Application to prospective Individual Providers who wish to be considered for addition to the Provider Directory;

   c. Accept, review and evaluate the Provider Directory Applications and credentials submitted by prospective Individual Providers to verify that the Individual Providers enrolled in the directory of qualified Providers meet the credentialing requirements stated in the Department's Provider Manual;

   d. In the event that the Contractor determines that a Provider's credentials are questionable, the Contractor shall refer the Provider to the Department for review and determination of acceptability;

   e. Establish a record for each Provider whose Application and credentialing have been accepted and add the Provider to the Provider Directory. The record shall contain basic information identifying the Provider, including but not limited to:

      i. name, address, telephone, and Social Security Number or FEIN;

      ii. all credentials submitted by the Provider; and

      iii. all correspondence between the Contractor and such Provider;

   f. Maintain the Provider Directory so that it is current within five (5) business days of any additions or deletions;

   g. On a quarterly basis, publish and make the complete Provider Directory available to DSS. In addition, if requested by an MFP Participant, the Contractor shall make the complete Provider Directory available as requested;

   h. On a monthly basis the Contractor shall publish and make available to DSS and to MFP Participants requesting the information supplementary monthly updates to the Provider Directory. Supplementary

updates shall identify those Providers that have been added to or deleted from the Provider Director since the publication of the last supplementary update;

i. Conduct a complete criminal background check on any Provider selected by a Participant for employment prior to initiating employment;

j. Notify the Participant, if their prospective Provider's criminal background check reveals criminal activity including but not limited to check fraud, theft, abuse, or assault, that as a result of the criminal background check the prospective Provider has been disqualified from consideration as a Provider and may not be employed as a Provider by a Participant;

k. Direct a report of criminal activity identified from the criminal background search to the Department;

   i. If directed by the Department to do so, the Contractor shall refuse to allow any specified Individual Provider from inclusion in the directory of qualified providers and/or from being employed by any Participant;

l. Individual Provider is to be removed from the Provider Directory at the request of the Individual Provider; at the request of the Department; or because the Contractor has been unable to reach the Individual Provider by phone or mail the Contractor shall provide a written notification to the Individual Provider that they will be removed from the Provider Directory fourteen (14) calendar days from the date of the written notification.

G. Outreach for Emergency Back-Up Providers and Maintenance of an MFP Emergency Back-Up Provider Directory.

1. The Contractor shall establish and maintain a separate directory of Providers designated as Emergency Back-Up Providers. These Providers shall be for the benefit of all MFP Participants to be used on an on-call basis. To establish and maintain such Directory, the Contractor shall:

   a. Perform the tasks in Section F a – i for the implementation of an emergency MFP Back-Up Provider Directory separate and apart from the Provider Directory. The MFP Emergency Back-Up Directory shall provide a list of PCAs who are seeking employment as MFP Emergency Back up Providers;

   b. Add the names of the prospective Emergency Back-up Providers to the Emergency Back-Up Directory if the Provider successfully passes the criminal background check and check of the abuse and neglect registry.

H. Training for Participants in Employer Responsibilities.

1. The Contractor shall:

   a. Assess the training needs of Participants regarding their experience with recruiting, hiring, managing and supporting their own Household Employees;

   b. On a monthly basis provide up to five (5) Participants with the training necessary for the Participant to successfully complete their responsibilities as an employer;

      i. Training topics shall include learning objectives such as:

         1. 'How to advertise and recruit Providers';
         2. 'How to interview providers';
         3. 'How to evaluate performance of Household Employees'; and,
         4. 'How to complete required paperwork', including but not limited to:

            a. Federal Form SS-4 used to obtain FEIN number;

b. Federal Form 2678 used to designate contractor as tax reporting agent;

c. Connecticut REG1 used to register for Connecticut State income tax;

d. Connecticut UC1-A used to register for Connecticut State Unemployment tax;

e. Department weekly time sheets; and

f. Verification and recording procedures to ensure that time sheets comply with the PCA care plan.

c. Assist the Employer with the necessary paperwork to obtain worker's compensation insurance if needed;

d. Within four weeks following the first payroll activity, assess any additional training needs in order for the Participant to meet all of their employer responsibilities.

I. Training for Providers Seeking to Provide Demonstration Services to Participants Targeted to the ABI Waiver.

1. Provide training for the ABI Waiver Program as required by the Department, to any prospective Individual Provider seeking to provide services to MFP participants targeted for the ABI waiver and for whom such training is a credentialing requirement as documented in the Department's Provider Manual.

J. Program Administration.

1. The Contractor shall:

   a. Assign staff to this project as needed within their current organizational structure for program size and volume;

   b. House the project administration at the Contractor's principal place of business or at another location upon approval of the Department;

   c. Securely store all records and documentation at the Contractor's principal place of business;

   d. Provide fiscal intermediary services as outlined in Section I, Subsections D-I, on behalf of and as a benefit to the Participant;

   e. Administer the contract in a manner that clearly indicates that neither the contractor nor the State is the employer of a Household Employee, Individual Provider or a Vendor ;

   f. Prominently state on all disseminated literature that a Household Employee, Individual Provider or Vendor is neither an employee of the contractor nor an employee of the State; and that the extent to which the contractor provides fiscal and other services under this contract, the contractor is acting on behalf of the Program Participant who is the employer of record for each provider receiving payments under the MFP Program.

K. Programmatic, Statistical and Financial Reporting.

1. Unless otherwise specified herein the Contractor shall submit to the Department reports in a format mutually agreed upon by the Department and the Contractor within thirty (30) days following the end of each of the first three calendar quarters of this contract term, and within sixty (60) days of the end of each contract year. Such reports shall include but may not be limited to:

   a. Expenditure reports - Program Administration: A report of actual Program Administration expenditures incurred by the Contract during the reporting period and year to date as compared to the budgeted line items in Budget Component A – Program Administration;

b. Programmatic Reports - Statistical reports detailing number of active Participants and/or participants, number of active Providers and total number and amount of paychecks paid during calendar quarter and year-to-date. The information shall be tracked on an on-going basis and available for interim reports as requested by the Department;

c. Program Services Reports: The Contractor shall report to the Department the following pertaining to services and expenditures related to Budget Component B – Program Services. This report shall, at a minimum identify:

   i. Individual Participant Names and Medicaid #;

   ii. The amount of each Individual Participant's program service funds budgeted for the reporting period by budgeted line item in the Participant's Plan;

   iii. The amount of the Participant's program service funds received from the Department for the reporting period;

   iv. The payments made by the Contractor by specified Vendors for authorized services rendered by the Vendor to a Participant during the reporting period and year to date as compared to the budgeted line items in Budget Component B – Program Services,

   v. Line item summary of Program Service funds budgeted, Program Service funds expended, and Program Service fund balance.

d. Schedule of reporting periods and submission for Expenditure Reports, Programmatic Reports and Program Services Reports:

Reporting Period	Report Due
10/01/08 – 12/31/08	01/30/09
01/01/09 – 03/31/09	04/30/09
04/01/09 – 06/30/09	07/31/09
10/01/08 – 06/30/09	08/31/09
07/01/09 – 09/30/09	10/31/09
10/01-09 – 12/31/09	01/30/10
01/01/10 – 03/31/10	04/30/10
04/01/10 – 06/30/10	07/31/10
07/01/09 – 06/30/10	08/31/10

e. The Contractor shall make available Provider Directory and Emergency Back up Directory Updates within 30 days of the end of each calendar quarter and upon request to the Department and/or Participants;

f. Documentation and Data Collection Methodologies - The Contractor shall:

   i. Maintain a database that tracks Participant demographics, current Participant, Budget/ Transition Budget, start and end dates, and other Participant information as needed;

   ii. Maintain separate files that contain documentation of the current Participant plan, and all time sheets containing signatures of the employee and Participant relating to that Participant;

   iii. Return timesheets without signatures to the Participant for proper documentation before processing and subsequent filing.

g. Medicaid Billing Reports shall include:

   i. A monthly detailed report for each Participant that includes Medicaid #, Participant last and first name, date service was provided, procedure code (type of service), number of units, provider performing TXlX number;

   ii. Quarterly aggregate summary reports; and

   iii. Cost reports by vendor, individual provider, service type, and by all other line item category.

h. Reconciliation Reporting System. The Contractor shall maintain three separate reconciliation reporting systems, for Program Administration fund Advance funds, Program Services Fund Advance Funds and Processing Fund Advance Funds. Upon request, the Contractor shall provide the Department a statement of cash flow for each of the separate reconciliation reporting systems that shows all cash advances from the Department, payroll distributions made to Individual Provider and/or Vendor, reimbursement payments to the Contractor from EDS, reimbursements to the Contractor from the Department and current cash. This statement shall be reconciled to the general ledger cash accounts and any variances shall be researched by the Contractor and resolved. For purposes of the reconciliation reports the reporting period shall be calendar quarters beginning with the contract start date. The reconciliation reports shall present:

   i. The number and type (by service type) of invoices received by the Contractor during the immediately preceding reporting period and year-to-date;

   ii. The number and type (by service type) of invoices that remain unpaid after thirty (30) days, forty-five (45) days and sixty (60) days as of the end of the reporting period;

   iii. The dollar value (by service type and in total) of invoices paid by the Contractor during the immediately preceding reporting period and year-to-date;

   iv. Summary report of all Participants with an Individual Transitional budget by funding account, that includes the Participant's Medicaid number, Participant name, authorized budget amount, DSS program service funds received, all expenditures for the budget period, remaining fund balance for each Participant, and total fund balance for all Participants;

i. Summary data of the provider-training activities described herein and

j. Summary data of the provider outreach activities described herein;

k. Summary of Quality Assurance Reports on a quarterly basis as described in Section L.1.d. submitted according to the payment schedule described in Section K.1.d.

L. <u>Quality Assurance.</u>

1. To demonstrate consumer satisfaction the Contractor shall:

   a. At a minimum conduct an annual survey of Satisfaction/Quality/Evaluation with Participants and communicate on an as needed basis with all Participants regarding the services received from the Contractor;

   b. Use both telephone and print surveys to gather information. Surveys shall be conducted within sixty (60) days of first hiring Household Employees with all new Participants, conservators as appropriate, Department Social Workers and any other involved organizations or individuals. Thereafter surveys shall be solicited on a quarterly basis from a random sampling of 25% of active Participants. The surveys shall address the level of Participant's satisfaction with the procedures of intake, training, payment, financial services, on-going contact, availability of providers and service delivery by the Household Employees;

c. Address customer satisfaction concerns identified through the survey within 90 days; and

d. Summarize the survey results in quarterly reports to the Department.

2. To demonstrate payroll accuracy the Contractor shall be required to meet the following performance standards. The Contractor shall:

a. Accurately process and distribute payments for 100% of the validated timesheets submitted to the Contractor;

b. Prepare and review Participant's payroll reports quarterly and make such reports available to each Participant at the Participant's request;

c. Instruct Participants and Household Employees to direct any claim for an inaccurate payroll distribution to the Contractor by telephone, fax, mail, or electronic mail;

d. Investigate any claims reported by a Participant or Household Employee and, if necessary, correct the inaccuracy in the next payroll cycle;

e. Provide additional training to Participants and Household Employees to improve accuracy of timesheet completion and submission if payroll errors are due to persistent Participant and/or Household Employee error;

f. Generate a manual check for each inaccurate payroll distribution to make up the difference between what was paid and what should have been paid; and

g. Update information in the payroll system to reflect the corrected information.

M. <u>Client Based Outcomes and Measures.</u>

1. The Contractor shall perform the functions described in this contract to meet or exceed the following outcomes on behalf of MFP Participants. Such outcomes shall be measured as follows:

a. Ninety percent (90%) of all invoices received by the Contractor shall be processed for payment or returned to the provider within fifteen (15) days;

b. Ninety-nine (99%) of all Clean Claims shall be paid in full by the Contractor within thirty (30) days of receipt of the provider invoice during any rolling three calendar months (commencing with the three-month anniversary of the execution of this contract);

c. One hundred percent (100%) of persons requesting basic or advanced training shall be trained within four (4) months of their request.

N. <u>Department Responsibilities.</u>

1. The Department shall provide a designated liaison (Project Leader) to assist in interpretations of policy and technical assistance. The Department shall provide feedback on the Contractor's performance to enable high quality performance and Participant, Provider and state satisfaction.

2. The Department shall implement and maintain the following referral process throughout the term of this Contract:

a. MFP Personal Assistance Referral Process:

i. The Department's MFP unit shall notify the Contractor when the Department approves a new Participant Individual Budget or Individual Transition Budget for services.

ii. The Department's staff will provide the Contractor all the pertinent paperwork.

iii. The referral shall be deemed complete upon the Contractor's receipt of the referral file from the Department's staff.

O. Termination of Contract – Transition to New Fiscal Intermediary.

1. In the event this contract is terminated, cancelled or is allowed to expire by its terms the Contractor shall, as directed by the Department and within fifteen (15) business days of the Contractor's receipt of a written notice from the Department, transfer all files, documents, and information related to each Participants' Budget, Transition Budget, Vendors and Individual Providers.
2. In the event this contract is terminated, cancelled or is allowed to expire by its terms the Contractor shall return to the Department all Participant program service fund balances with a corresponding reconciliation report that identifies total Department funds received, total expenditures, and any fund balances for each Participant to whom the Contractor provided fiscal intermediary services within 60 days prior to the contract end date or termination date.
3. The Department shall audit all of the Contractors activities related to this Contract following the termination, cancellation or expiration of this contract.
4. The Contractor shall provide to the Department copies of all tax reporting completed by the Contractor during the period that the Contractor administered Fiscal Intermediary services under this contract. This shall include but not be limited to copies of IRS Form 941, Unemployment returns, W-2's for all Participant Employees at year end currently receiving FI services from Contractor, Form 1099 to Individual Providers who are considered independent contractors for IRS purposes, payment of FUTA and SUTA, the refund of any FICA that was not paid, and unemployment withholdings that were not paid.

P. Budgets, Fees and Schedule of Payments.

1. CONTRACT TERM AND COST - The term of this contract is October 1, 2008 through June 30, 2010 and the maximum dollar value of this contract shall not exceed $516,515.00 for the contract period.
2. BUDGET AND PAYMENT PROVISIONS –
   a. BUDGET COMPONENTS: There are three (3) budget components for this contract.
      i. Budget Component A: Program Administration – The Program Administration component of the budget identifies the funds, by line-item, budgeted for use by the Contractor to perform the services set forth in this contract.
      ii. Budget Component B: Program Services – The Program Services component of the budget identifies the service dollars by programs that are to be used by the Contractor for payments to Individual Providers and Vendors for the provision of Transition Services and or Personal Care Services to Participants as authorized by the Participant's Plan.
      iii. Budget Component C: Processing Fund Advance – This component of the budget identifies the funds provided by the Department to the Contractor to fund the Processing Account.
   b. Upon execution and approval of this contract the Department shall:
      i. Process a payment of $28,005.00 to the Contractor for expenditures incurred in accordance with Budget Component A during the period 10/01/08 – 06/30/09;
      ii. Process a payment of $229,800.00 to the Contractor for expenditures incurred in accordance with Budget Component B during the period 10/01/08 – 06/30/09; and
      iii. Process a payment of $56,500.00 to the Contractor to fund the Processing Fund Account for expenditures incurred in accordance with Budget Component C during the period 10/01/08 – 06/30/09.

c. The Department shall initiate the payment process for subsequent payments for Program Administration and Program Services expenditures (Budget Components A and B) upon the Contractor's submission of a request for payment and the Department's approval of requisite reports as described in Section J:

A Program Administration Payment of :	For the Period:	Department's Acceptance of Reports for the Period
$14,527.50	07/01/09 – 09/30/09	10/01/08 – 12/31/08 and 01/01/09 – 03/31/09
$14,527.50	10/01/09 – 12/31/09	04/01/09 – 06/30/09
$14,527.50	01/01/10 – 03/31/10	07/01/09 – 09/30/09
$14,527.50	04/01/10 – 06/30/10	10/01/09 – 12/31/09
A Program Services Payment of :	For the Period:	Department's Acceptance of Reports for the Period
$19,150.00	07/01/09 – 09/30/09	10/01/08 – 12/31/08 and 01/01/09 – 03/31/09
$19,150.00	10/01/09 – 12/31/09	04/01/09 – 06/30/09
$19,150.00	01/01/10 – 03/31/10	07/01/09 – 09/30/09
$19,150.00	04/01/10 – 06/30/10	10/01/09 – 12/31/09

d. When the Department's review of any financial report or on-site examination of the Contractor's financial records indicate that under expenditure or under utilization of contract funds is likely to occur by the end of the contract year, the Department may, with advance notice to the Contractor, alter the payment schedule for the balance of the contract period;

e. The Department may request that the Contractor propose an amended Authorized Budget that reflects actual and anticipated expenditures for the Contract Year when the Department's review of any financial report or an on-site examination of the Contractor's financial records indicates that substantial under-utilization of advances is likely to occur by the end of the Contract Year;

f. The Contractor may at any time during the Contract Year, request a revision to the Approved Budget and amendment to the contract if its administrative and program expenses exceed the Approved Budget for reasons beyond its control;

g. Following the receipt of the Contractors final expenditure reports the Department shall reconcile the payments made to Contractor against the actual expenses incurred. If actual expenses authorized by the Department exceed the payments made to Contractor the Department shall reimburse the Contractor for the difference. If the actual expenses are less than the payments received the Department shall reduce the next payment by the excess prior payments. If there are no additional payments to be made to the Contractor, then the Contractor shall return such excess funds to the Department following the Department's request;

h. The Contractor shall utilize all Administrative and Program Services Fund Advances in accordance with the Authorized Program Administrative and Program Services Budget, except as described under Section XII;

3. PROCESSING FUND ADVANCES (Budget Component C):

   a. In addition to the Program Administration and Program Services Budget, the Department will advance to the Contractor funds for the Processing Account to be established by the Contractor and utilized to process payments to Independent Providers and Vendor that provided authorized services to Participants which payments are then eligible to be reimbursed to the Contractor through EDS. Processing Fund Advances that shall not exceed $113000.00 for the entirety of the contract. The Contractor may draw from these funds upon documentation of need and approval from the Department. The Processing Fund Advances shall be recorded as a liability to the Contractor;

   b. Estimated Processing Advance Schedule based on a four pay-period advance;

	Year One	Year Two
MFP Processing Account Advance	$56,500	$56,500

   c. The Department shall provide the Contractor "MFP Processing Fund Advances" as necessary, and adding funds as may be required from time to time.

      i. The Processing Fund Account shall not supplement nor supplant MFP reimbursements for MFP payroll expenditures or other payments to Independent Providers or Vendors authorized in the Participant Budgets. These funds are intended to enable MFP Payroll expenditures and other payments to Independent Providers and Vendors in advance of MFP reimbursement through EDS for those expenditures;

      ii. The Department may advance additional funds to the Processing Account as required to insure that sufficient funds are available to reimburse providers, upon adequate justification for such funds by the Contractor and upon approval from the Department, including reconciliation of accounts;

      iii. The Department may reduce the Processing Fund Advance based on reconciliation reports submitted by the Contractor on June 1 of each contract year, demonstrating that the balance in the Processing Account is in excess of that required to meet the next subsequent month's projected expenses.

      iv. These funds shall not be consumed and shall be returned to the Department upon ninety (90) days from the termination or expiration of the Contract and final reconciliation of accounts;

      v. The Contractor shall establish appropriate accounting procedures to protect the funds from consumption;

      vi. Following the termination of the contract, the Contractor and the Department shall reconcile the MFP (Payroll, Vendor Payment and payments to other Individual Providers) Processing Funds for the entire period of the Processing Fund. The Department and the Contractor upon mutual agreement may at any time prior to the termination of the contract reconcile the payment-processing fund with the purpose of identifying "non-collectable" invoices and assigning responsibility for such invoices. The Department shall formally approve any such reconciliation and documentation of such approval shall be included in the Department's contract file;

   d. Fee For Service - The Contractor shall be reimbursed (in addition to the administrative and program budget in section 1) for processing program payments related to Transitional Budgets for Participants who are not eligible for MFP Demonstration Services.

i. Payments: The Contractor shall be reimbursed monthly in arrears based upon an invoice, verified by the Department, documenting actual client activity. Activity basis shall be the MFP monthly transitional budget processing total for Participants not eligible Demonstration Services and will be invoiced at 10% of the total expenditures processed for the month.

	SFY 2009 10/01/08 - 06/30/09	SFY 2010 07/01/09 - 06/30/10	TOTAL	
PROGRAM ADMINISTRATION				
PERSONNEL EXPENSES				
SALARIES	$14,523	$38,040	$52,563	
FRINGE	$2,032	$5,326	$7,358	
TOTAL PERSONNEL	**$16,555**	**$43,366**	**$59,921**	
OPERATING EXPENSES				
PAYROLL & PROVIDER PROCESSING	$500	$800	$1,300	
PHONE/FAX	$0	$235	$235	
OFFICE EXPENSE	$350	$1,000	$1,350	
POSTAGE	$525	$1,000	$1,525	
EQUIPMENT/MAINTENANCE	$0	$0	$0	FN 1
MIS (Hardware, Support & Software)	$4,000	$1,000	$5,000	
VEHICLE & TRAVEL EXPENSE	$300	$1,000	$1,300	FN 2
FACILITIES (Rent, Utilities, Insurance)	$0	$1,200	$1,200	
FURNITURE	$0	$0	$0	
LEGAL	$0	$250	$250	
AUDIT	$3,000	$2,500	$5,500	
TOTAL OPERATING EXPENSES	$8,675	$8,985	$17,660	
Fidelity Bond	$0	$0	$0	FN 3
TOTAL PERSONNEL & OPERATING EXPENSES	$25,230	$52,351	$77,581	
Overhead @ 11%	$2,775	$5,759	$8,534	
TOTAL PROGRAM ADMINISTRATION BUDGET	$28,005	$58,110	$86,115	
PROGRAM SERVICES BUDGET				
Transitional Services	$75,300	$22,100	$97,400	
State-funded Transitional Services	$54,500	$54,500	$109,000	
Personal Care Services	$100,000	$0	$100,000	

TOTAL PROGRAM SERVICES BUDGET	$229,800	$76,600	$306,400
State funded transitional services Fee-for-Service Budget	$5,500	$5,500	$11,000
PROCESSING FUND ADVANCES BUDGET	$56,500	$56,500	$113,000
TOTAL CONTRACT BUDGET	$319,805	$196,710	$516,515

FN 1, 2 & 3: Costs absorbed through ABI/PCA Contract Budget

Q. Budget Variance.

1. Line item deviations of up to 15% or $1,500, whichever is greater, shall be allowed under this contract. Deviations greater than this amount shall require a contract amendment;
2. The Contractor may request the shifting of funds within line items by a written request directed to the Department's Contract Administrator. The Contract Administrator shall review such a request and shall approve the request, deny the request or require that the shifting of such funds be addressed in a formal contract amendment. The decision of the Contract Administrator shall be final.

Section II. ADDITIONAL TERMS AND CONDITIONS.

A. Credits and Rights in Data.

1. Unless expressly waived in writing by the Department, all documents, reports, and all other publications for public distribution during or resulting from the performance of this Contract shall include a statement acknowledging the financial support of the state and the Department, and where applicable, the federal government. All such publications shall be released in conformance with applicable federal and state law and all regulations regarding confidentiality. Any liability arising from such a release by the Contractor shall be the sole responsibility of the Contractor and the Contractor shall indemnify the Department, unless the Department or its agents co-authored said publication and said release is done with the prior written approval of the commissioners of the Department. The Contractor or any of its agents shall not copyright data and information obtained under the terms and conditions of this Contract, unless expressly authorized in writing by the Department. The Department shall have the right to publish, duplicate, use and disclose all such data in any manner, and may authorize others to do so. The Department may copyright any data, as defined below, without prior notice to the Contractor. The Contractor does not assume any responsibility for the use, publication or disclosure solely by the Department of such data.
2. "Data" shall mean all results, technical information and materials developed and/or obtained by the Contractor in the performance of services under this contract, including but not limited to all reports, surveys, plans, charts, recordings (video and/or sound), pictures, curricula, public awareness or prevention campaign materials, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda, and documents whether finished or unfinished excluding internal communications of the Contractor, which result from or are prepared in connection with the services performed under the terms and conditions of this contract.
3. Contractor's existing claims processing software and related documentation, together with any derivative works or improvements thereof, shall not be considered "data". The Contractor's or any subcontractor's utilization management software, together with any derivative works or improvements thereof, shall not be

considered "data" to the extent that the Contractor or any subcontractor is unable to secure an ownership interest or an assignable license use in said software. The final version of software and related documentation specifically developed by Contractor as a deliverable for the Department, shall be treated as "data" hereunder, but the Contractor shall own and may exercise any copyright and other rights in any source code for such software, and may utilize such source code to create applications for other Contractor customers or licensees so long as the Contractor does not create, market, sell or license any software, applications, systems or other products that would incorporate information unique to the Department.

4. Ownership rights of data shall remain with the Department, except as described above and all products incorporating data which are material to performance of this Contract are subject to approval by the Department.

B. **Audit Requirements**. The Contractor shall provide for an annual financial audit acceptable to the Department for any expenditure of state-awarded funds made by the Contractor. Such audit shall include management letters and audit recommendations. The State Auditors of Public Accounts shall have access to all records and accounts for the fiscal year(s) in which the award was made. The Contractor will comply with federal and state single audit standards as applicable.

C. **Prohibited Interest**. The Contractor warrants that no state appropriated funds have been paid or will be paid by or on behalf of the Contractor to contract with or retain any company or person, other than bona fide employees working solely for the Contractor, to influence or attempt to influence an officer or employee of any state agency in connection with the awarding, extension, continuation, renewal, amendment, or modification of this agreement, or to pay or agree to pay any company or person, other than bona fide employees working solely for the Contractor, any fee, commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the award or making of this Agreement.

D. **Offer of Gratuities**. By its agreement to the terms of this contract, the Contractor certifies that no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from this contract. The Department may terminate this contract if it is determined that gratuities of any kind were either offered or received by any of the aforementioned officials or employees from the Contractor or its agents or employees.

E. **Related Party Transactions.** The Contractor shall report all related party transactions, as defined in this clause, to the Department on an annual basis in the appropriate fiscal report as specified in this contract. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to directly or indirectly exercise influence or control. "Related party transactions" between a Contractor, its employees, Board members or members of the Contractor's governing body, and a related party include, but are not limited to:

1. real estate sales or leases;
2. leases for equipment, vehicles or household furnishings;
3. mortgages, loans and working capital loans; and
4. contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by the Contractor.

F. **Lobbying.** The Contractor agrees to abide by state and federal lobbying laws, and further specifically agrees not to include in any claim for reimbursement any expenditures associated with activities to influence, directly or indirectly, legislation pending before Congress, or the Connecticut General Assembly or any administrative or regulatory body unless otherwise required by this contract.

G. Suspension or Debarment.

1. Signature on Contract certifies the Contractor or any person (including subcontractors) involved in the administration of Federal or State funds:

    a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental department or agency (Federal, State or local);

    b. within a three year period preceding this Contract, has not been convicted or had a civil judgment rendered against him/her for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or Contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

    c. is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the above offenses;

    d. has not within a three year period preceding this agreement had one or more public transactions terminated for cause or fault.

2. Any change in the above status shall be immediately reported to the Department.

H. Subcontracts. For purposes of this clause subcontractors shall be defined as providers of direct human services. Vendors of support services, not otherwise known as human service providers or educators, shall not be considered subcontractors, e.g. lawn care, unless such activity is considered part of a training, vocational or educational program. The subcontractor's identity, services to be rendered and costs shall be detailed in this contract. Notwithstanding the execution of this contract prior to a specific subcontractor being identified or specific costs being set, no subcontractor may be used or expense under this contract incurred prior to identification of the subcontractor or inclusion of a detailed budget statement as to subcontractor expense, unless expressly provided in this contract. No subcontractor shall acquire any direct right of payment from the Department by virtue of the provisions of this clause or any other clause of this contract. The use of subcontractors, as defined in this clause, shall not relieve the Contractor of any responsibility or liability under this contract. The Contractor shall make available copies of all subcontracts to the Department upon request.

I. Independent Capacity of Contractor. The Contractor, its officers, employees, subcontractors, or any other agent of the Contractor in the performance of this contract will act in an independent capacity and not as officers or employees of the State of Connecticut or of the Department.

J. Indemnification.

1. The Contractor shall indemnify, defend and hold harmless the State of Connecticut and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all:

    a. claims arising directly or indirectly from the acts of commission or omission (collectively the "Acts") of the Contractor in its performance of its responsibilities under the Contract. For purposes of this indemnification provision, the term "Contractor" shall include the Contractor's directors, officers, partners, managers, representatives, agents, servants, employees or any of them or any person or entity who is a subcontractor of the Contractor under the terms of this Contract; and

    b. liabilities, damages, losses, costs and expenses, including but not limited to attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its indemnification and hold-harmless obligations under this contract. The contractor's obligations under this section to indemnify, defend and hold harmless against claims includes claims concerning confidentiality of any

part of or all of the bid or any records, and intellectual property rights, other propriety rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the performance of the contract.

2. The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor. The State shall give the Contractor reasonable notice of any such claims.
3. The Contractor's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the contract.
4. The Contractor shall carry and maintain at all times during the term of the contract, and during the time that any provisions survive the term of the contract, sufficient general liability insurance to satisfy its obligations under this contract. The Contractor shall name the State as an additional insured on the policy and shall provide a copy of the policy to the Department prior to the effective date of the contract. The Contractor shall not begin performance until the delivery of the policy to the Department.
5. This section shall survive the termination, cancellation or expiration of the Contract, and shall not be limited by reason of any insurance coverage.

K. Choice of Law and Choice of Forum, Settlement of Disputes, Office of the Claims Commission.

1. The Contractor agrees to be bound by the laws of the State of Connecticut and the federal government where applicable, and agrees that this contract shall be construed and interpreted in accordance with Connecticut law and Federal law where applicable.
2. Any dispute concerning the interpretation or application of this contract shall be decided by the Commissioners of the Department or his/her designees whose decision shall be final subject to any rights the Contractor may have pursuant to state law. In appealing a dispute to the commissioners pursuant to this provision, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final resolution of a dispute, the Contractor and the Department shall proceed diligently with the performance of the contract.
3. The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this Contract shall be in accordance with Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings except as authorized by that Chapter in any State or Federal Court in addition to or in lieu of said Chapter 53 proceedings.

L. Compliance with Law and Policy. The Contractor shall comply with all pertinent provisions of local, state and federal laws and regulations as well as the Department's policies and procedures applicable to Contractor's programs as specified in this contract. The Department shall notify the Contractor of any applicable new or revised laws, regulations, policies or procedures which the vendor has responsibility to promulgate or enforce.

M. Facility Standards and Licensing Compliance. The Contractor will comply with all applicable local, state and federal licensing, zoning, building, health, fire and safety regulations or ordinances, as well as standards and criteria of pertinent state and federal authorities. Unless otherwise provided by law, the Contractor is not relieved of compliance while formally contesting the authority to require such standards, regulations, statutes, ordinance or criteria.

N. Reports. The Contractor shall provide the Department with such statistical, financial and programmatic information necessary to monitor and evaluate compliance with the contract. All requests for such information shall comply with all applicable state and federal confidentiality laws. The Contractor agrees to provide the Department with such reports as the Department requests.

O. Delinquent Reports. The Contractor will submit required reports by the designated due dates as identified in this agreement. After notice to the Contractor and an opportunity for a meeting with the Department's representatives, the Department reserve the right to withhold payments for services performed under this Contract if the Department have not received acceptable progress reports, expenditure reports, refunds, and/or audits as required by this agreement or previous agreements for similar or equivalent services the Contractor has entered into with the Department.

P. Record Keeping and Access. The Contractor shall maintain books, records, documents, program and individual service records and other evidence of its accounting and billing procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature incurred in the performance of this contract. These records shall be subject at all reasonable times to monitoring, inspection, review or audit by authorized employees or agents of the state or, where applicable, federal agencies. The Contractor shall retain all such records concerning this contract for a period of three (3) years after the completion and submission to the state of the Contractor's annual financial audit.

Q. Workforce Analysis. The Contractor shall provide a workforce analysis affirmative action report related to employment practices and procedures.

R. Litigation.

1. The Contractor shall provide written notice to the Department of any litigation that relates to the services directly or indirectly financed under this contract or that has the potential to impair the ability of the Contractor to fulfill the terms and conditions of this contract, including but not limited to financial, legal or any other situation which may prevent the Contractor from meeting its obligations under the contract.
2. The Contractor shall provide written notice to the Department of any final decision by any tribunal or state or federal agency or court which is adverse to the Contractor or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against the Contractor or its employee or agent under the Americans with Disabilities Act of 1990, Executive Orders Nos. 3 & 17 of Governor Thomas J. Meskill and any other provisions of federal or state law concerning equal employment opportunities or nondiscriminatory practices.

S. Contract Revisions and Amendments.

1. The Contractor shall submit to the Department in writing any proposed revision to the contract and the Department shall notify the Contractor of receipt of the proposed revision.
2. Contract amendments must be in writing and shall not be effective until executed by all parties to the contract, and, where applicable, approved by the Attorney General.
3. No amendments may be made to a lapsed contract.

T. Contract Reduction.

1. The Department reserves the right to reduce the Contracted amount of compensation at any time in the event that:
    a. The Governor or the Connecticut General Assembly rescinds, reallocates, or in any way reduces the total amount budgeted for the operation of the Department during the fiscal year for which such funds are withheld; or
    b. Federal funding (if applicable) reductions result in reallocation of funds within the Department.
2. The Contractor and the Department agree to negotiate on the implementation of the reduction within thirty (30) days of receipt of formal notification of intent to reduce the contracted amount of compensation from the Department. If agreement on the implementation of the reduction is not reached within 30 calendar days of such

formal notification and a contract amendment has not been executed, the Department may terminate the contract sixty (60) days from receipt of such formal notification. The Department will formally notify the Contractor of the termination date.

U. Default by the Contractor.

1. If the Contractor defaults as to, or otherwise fails to comply with, any of the conditions of this contract the Department may:
   a. withhold payments until the default is resolved to the satisfaction of the Department;
   b. temporarily or permanently discontinue services under the contract;
   c. require that unexpended funds be returned to the Department;
   d. assign appropriate state personnel to execute the contract until such time as the contractual defaults have been corrected to the satisfaction of the Department;
   e. require that contract funding be used to enter into a subcontract arrangement with a person or persons designated by the Department in order to bring the program into contractual compliance;
   f. terminate this contract;
   g. take such other actions of any nature whatsoever as may be deemed appropriate for the best interests of the state or the program(s) provided under this contract or both;
   h. any combination of the above actions.
2. In addition to the rights and remedies granted to the Department by this contract, the Department shall have all other rights and remedies granted to it by law in the event of breach of or default by the Contractor under the terms of this contract.
3. Prior to invoking any of the remedies for default specified in this paragraph except when the Department deems the health or welfare of service recipients is endangered as specified in of this contract or has not met requirements as specified in this contract, the Department shall notify the Contractor in writing of the specific facts and circumstances constituting default or failure to comply with the conditions of this contract and proposed remedies. Within five (5) business days of receipt of this notice, the Contractor shall correct any contractual defaults specified in the notice and submit written documentation of correction to the satisfaction of the Department or request in writing a meeting with the commissioners of the Department or his/her designees. Any such meeting shall be held within five (5) business days of the written request. At the meeting, the Contractor shall be given an opportunity to respond to the Department's notice of default and to present a plan of correction with applicable time frames. Within five (5) business days of such meeting, the commissioners of the Department shall notify the Contractor in writing of his/her response to the information provided including acceptance of the plan of correction and, if the commissioners find continued contractual default for which a satisfactory plan of corrective action has not been presented, the specific remedy for default the Department intends to invoke. This action of the commissioners shall be considered final.
4. If at any step in this process the Contractor fails to comply with the procedure and, as applicable, the agreed upon plan of correction, the Department may proceed with default remedies.

V. Non-enforcement Not to Constitute Waiver. The failure of either party to insist upon strict performance of any terms or conditions of this contract shall not be deemed a waiver of the term or condition or any remedy that each party has with respect to that term or condition nor shall it preclude a subsequent default by reason of the failure to perform.

W. Cancellation and Recoupment.

1. This contract shall remain in full force and effect for the entire term of the contract period, above, unless either party provides written notice ninety (90) days or more from the date of termination, except that no cancellation by the Contractor may be effective for failure to provide services for the agreed price or rate and cancellation by the Department shall not be effective against services already rendered, so long as the services were rendered in compliance with the contract during the term of the contract.
2. In the event the health or welfare of the service recipients is endangered, the Department may cancel the contract and take any immediate action without notice it deems appropriate to protect the health and welfare of service recipients. The Department shall notify the Contractor of the specific reasons for taking such action in writing within five (5) business days of cancellation. Within five (5) business days of receipt of this notice, the Contractor may request in writing a meeting with the commissioners of the Department or his/her designees. Any such meeting shall be held within five (5) business days of the written request. At the meeting, the Contractor shall be given an opportunity to present information on why the Department's actions should be reversed or modified. Within five (5) business days of such meeting, the Commissioners of the Department or his/her designees shall notify the Contractor in writing of his/her decision upholding, reversing or modifying the action of the Department. This action of the commissioners shall be considered final.
3. The Department reserves the right to cancel the contract without prior notice when the funding for the contract is no longer available.
4. The Department reserves the right to recoup any deposits, prior payment, advance payment or down payment made if the contract is terminated by either party. Allowable costs incurred to date of termination for operation or transition of program(s) under this contract shall not be subject to recoupment. The Contractor agrees to return to the Department any funds not expended in accordance with the terms and conditions of the contract and, if the Contractor fails to do so upon demand, the Department may recoup said funds from any future payments owing under this contract or any other contract between the State and the Contractor.

X. Equipment. In the event this contract is terminated or not renewed, the Department reserve the right to recoup any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this Contract. For purposes of this provision, equipment means tangible personal property with a normal useful life of at least one year and a value of at least $5,000. Equipment shall be considered purchased from Contractor funds and not from the Department's funds if the equipment is purchased for a program that has other sources of income equal to or greater than the equipment purchase price.

Y. Transition after Termination or Expiration of Contract. In the event that this contract is terminated for any reason or if the Department do not offer the Contractor a new contract for the same or similar service at the contract's expiration, the Contractor will assist in the orderly transfer of data required by the Department and will assist in the orderly cessation of operations under this contract. Prior to incurring expenses related to the orderly transfer or continuation of services beyond the terms of the contract, the Department and the Contractor agree to negotiate a termination amendment to the existing agreement to address current program components and expenses, anticipated expenses necessary for the orderly transfer of data. The Contractual agreement may be amended as necessary to assure transition requirements are met during the term of this contract. If the transition cannot be concluded during this term, the Department and the Contractor may negotiate an amendment approved by the Office of the Attorney General to extend the term of the current contract until the transition may be concluded.

Z. Program Cancellation. Where applicable, the cancellation or termination of any individual program or service under this contract will not, in and of itself, in any way affect the status of any other program or service in effect under this contract.

AA. Mergers and Acquisitions.

1. Contracts in whole or in part are not transferable or assignable without the prior written agreement of the Department.
2. At least ninety (90) days prior to the effective date of any fundamental changes in corporate status, including merger, acquisition, transfer of assets, and any change in fiduciary responsibility, the Contractor shall provide the Department with written notice of such changes.
3. The Contractor shall comply with requests for documentation deemed necessary by the Department to determine whether the Department will provide prior written agreement. The Department shall notify the Contractor of such determination not later than forty-five (45) business days from the date the Department receives such requested documentation.

BB. **Americans with Disabilities Act of 1990.** This clause applies to those Contractors which are or will come to be responsible for compliance with the terms of the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101-12189 and §§ 12201-12213) (Supp. 1993); 47 USCS §§ 225, 611 (Supp. 1993). During the term of the Contract, the Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. The Contractor warrants that it will hold the state harmless from any liability which may be imposed upon the state as a result of any failure of the Contractor to be in compliance with this Act. As applicable, the Contractor agrees to abide by provisions of § 504 of the Federal Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794 (Supp. 1993), regarding access to programs and facilities by people with disabilities.

CC. **Utilization of Minority Business Enterprises.** It is the policy of the state that minority business enterprises should have the maximum opportunity to participate in the performance of government Contracts. The Contractor agrees to use best efforts consistent with 45 C.F.R. §§ 74.160 et seq. (1992) and paragraph 9 of Appendix G thereto for the administration of programs or activities using HHS funds; and §§ 13a-95a, 4a-60 to 4a-62, and 4b-95(b) of the Connecticut General Statutes to carry out this policy in the award of any subcontracts.

DD. **Priority Hiring.** Subject to the Contractor's exclusive right to determine the qualifications for all employment positions, the Contractor shall use its best efforts to ensure that it gives priority to hiring welfare recipients who are subject to time limited welfare and must find employment. The Contractor and the Department will work cooperatively to determine the number and types of positions to which this paragraph shall apply.

EE. **Non-discrimination.**

1. Conn. Gen. Stat. § 4a-60. Nondiscrimination and affirmative action provisions in contracts of the state and political subdivisions other than municipalities. (a) Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions: (1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved; (2) the contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission; (3) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be

provided by the commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f; (5) the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56. If the contract is a public works contract, the contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. Prior to entering into the contract, the contractor shall provide the state or such political subdivision of the state with documentation in the form of a company or corporate policy adopted by resolution of the board of directors, shareholders, managers, members or other governing body of such contractor to support the nondiscrimination agreement and warranty under subdivision (1) of this subsection. For the purposes of this section, "contract" includes any extension or modification of the contract, and "contractor" includes any successors or assigns of the contractor.

(b) For the purposes of this section, "minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) Who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise and (3) who are members of a minority, as such term is defined in subsection (a) of section 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

(c) Determination of the contractor's good faith efforts shall include but shall not be limited to the following factors: The contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.

(e) The contractor shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

2. Conn. Gen. Stat. § 4a-60a. Contracts of the state and political subdivisions, other than municipalities, to contain provisions re nondiscrimination on the basis of sexual orientation. (a) Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions: (1) The contractor agrees and warrants that in the performance of the contract such contractor will

not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56; (4) the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56. Prior to entering into the contract, the contractor shall provide the state or such political subdivision of the state with documentation in the form of a company or corporate policy adopted by resolution of the board of directors, shareholders, managers, members or other governing body of such contractor to support the nondiscrimination agreement and warranty under subdivision (1) of this subsection. For the purposes of this section, "contract" includes any extension or modification of the contract, and "contractor" includes any successors or assigns of the contractor.

(b) The contractor shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

FF. **Government Function; Freedom of Information.** If the amount of this Contract exceeds two million five hundred thousand dollars ($2,500,000), and the Contract is for the performance of a governmental function, as that term is defined in Conn. Gen. Stat. § 1-200(11), the Department is entitled to receive a copy of the records and files related to the Contractor's performance of the governmental function, and may be disclosed by the Department pursuant to the Freedom of Information Act.

GG. **Whistleblowing.** This Contract may be subject to the provisions of Conn. Gen. Stat. § 4-61dd, which applies to "large state contracts" having a value of five million dollars ($5,000,000) or more. In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of UCHC, the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of the statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars ($5,000) for each offense, up to a maximum of twenty (20) per cent of the value of this Contract. Each violation shall be a separate and distinct offense and, in the case of a continuing violation, each Calendar Day's continuance of the violation shall be deemed to be a separate and distinct offense. UCHC may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. If the Contractor is a "large state contractor" as defined by Conn. Gen. Stat. § 4-61dd, the Contractor shall post a notice of the provisions of that statute relating to large state contractors in a conspicuous place which is readily available for viewing by the Contractor's employees.

HH. **Non-smoking.** If the Contractor is an employer subject to the provisions of § 31-40q of the Connecticut General Statutes, the Contractor agrees to provide upon request the Department with a copy of its written rules concerning smoking. Evidence of compliance with the provisions of § 31-40q of the Connecticut General Statutes must be received prior to Contract approval by the Department.

II. **Executive Orders.** This contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices; Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings; Executive Order No. Sixteen of Governor John G. Rowland, promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and made part of the contract as if they had been fully set forth in it. At the contractor's request, either Department shall provide a copy of these Orders to the contractor. This contract may also be subject to Executive Order 7C of Governor M. Jodi Rell, promulgated July 13, 1006, concerning contracting reforms and Executive Order 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions.

JJ. **Campaign Contribution Restrictions.** On February 8, 2007, Governor Rell signed into law Public Act 07-1, An Act Concerning the State Contractor Contribution Ban and Gifts to State and Quasi-Public Agencies.

For all State contracts as defined in P.A. 07-1 having a value in a calendar year of $50,000 or more or a combination or series of such agreements or contracts having a value of $100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See SEEC Form 11 (reproduced and inserted herewith).

SEEC FORM 11

NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN

This notice is provided under the authority of Connecticut General Statutes § 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined below):

Campaign Contribution and Solicitation Ban

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract* or *state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or *solicit* contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

Duty to Inform

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

Penalties for Violations

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties—$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of $2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or $5000 in fines, or both.

Contract Consequences

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information and the entire text of P.A. 07-1 may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to "State Contractor Contribution Ban."

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100.

"Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by

statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract,* (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual. "Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

KK. <u>Health Insurance Portability and Accountability Act of 1996 ("HIPAA").</u>

1. If the Contactor is a Business Associate under the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Contractor must comply with all terms and conditions of this Section of the Contract. If the Contractor is not a Business Associate under HIPAA, this Section of the Contract does not apply to the Contractor for this Contract.
2. The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the Contract in accordance "with all applicable federal and state law regarding confidentiality, which includes but is not limited to HIPAA, more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E; and
3. The State of Connecticut Department of Social Services (hereinafter "Department") is a "covered entity" as that term is defined in 45 C.F.R. § 160.103; and
4. The Contractor, on behalf of the Department, performs functions that involve the use or disclosure of "individually identifiable health information," as that term is defined in 45 C.F.R. § 160.103; and
5. The Contractor is a "business associate" of the Department, as that term is defined in 45 C.F.R. § 160.103; and
6. The Contractor and the Department agree to the following in order to secure compliance with the HIPAA, more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E.
7. Definitions.
    a. "Business Associate" shall mean the Contractor.
    b. "Covered Entity" shall mean the Department of the State of Connecticut named on page 1 of this Contract.
    c. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.
    d. "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).
    e. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and parts 164, subparts A and E.
    f. "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.
    g. "Required by Law"' shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.
    h. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
    i. "More stringent" shall have the same meaning as the term "more stringent" in 45 C.F.R. § 160.202.
    j. "This Section of the Contract" refers to the HIPAA Provisions stated herein, in their entirety.
    k. "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R.§ 164.304.
    l. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. part 160 and parts 164, subpart A and C.
8. Obligations and Activities of Business Associates.

a. Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law.

b. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.

c. Business Associate agrees to use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Covered Entity.

d. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.

e. Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract or any security incident of which it becomes aware.

f. Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.

g. Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.

h. Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to make PHI available for amendment pursuant to 45 C.F.R. § 164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.

i. Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

j. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

k. Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with paragraph I of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

l. Business Associate agrees to comply with any state law that is more stringent than the Privacy Rule.

9. Permitted Uses and Disclosure by Business Associate.

a. General Use and Disclosure Provisions Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

b. Specific Use and Disclosure Provisions

i. Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

ii. Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

iii. Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

10. Obligations of Covered Entity.

    a. Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. § 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

    b. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

    c. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

11. Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Section of the Contract.

12. Term and Termination.

    a. Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

    b. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

        i. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or

        ii. Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or

        iii. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

13. Effect of Termination.

a. Except as provided in (l2) above, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

b. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return of destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

14. Miscellaneous Provisions.

a. Regulatory References. A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.

b. Amendment. The Parties agree to take such action as in necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

c. Survival. The respective rights and obligations of Business Associate shall survive the termination of this Contract.

d. Effect on Contract. Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the Contract shall remain in force and effect.

e. Construction. This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies, and is consistent with, the Privacy Standard.

f. Disclaimer. Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, Contractors or agents, or any third party to whom Business Associate has disclosed PHI pursuant to this Contract. Business Associate is solely responsible for all decisions made, and actions taken, by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.

g. Indemnification. The Business Associate shall indemnify and hold the Covered Entity harmless from and against all claims, liabilities, judgments, fines, assessments, penalties, awards, or other expenses, of any kind or nature whatsoever, including, without limitation, attorney's fees, expert witness fees, and costs of investigation, litigation or dispute resolution, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this Section of the Contract.

ACCEPTANCES AND APPROVALS

049ACR-MFP-01 / 08DSS7101AS

By signing below, both the Contractor and the Department of Social Services agree to the terms and conditions of this contract and further agree that the Contractor herein IS a Business Associate under HIPAA.

Documentation necessary to demonstrate the authorization to sign must be attached.

CONTRACTOR – ALLIED COMMUNITY RESOURCES, INC.

[redacted] 5/22/2009

CAROL A BOHNET, *Executive Director* Date

DEPARTMENT OF SOCIAL SERVICES

[redacted] 5/28/09

CLAUDETTE BEAULIEU, *Deputy Commissioner*

OFFICE OF THE ATTORNEY GENERAL

[redacted] 5/29/09

ATTORNEY GENERAL *(Approved as to form & legal sufficiency)* Date

ASSOC. ATTY. GENERAL