

EXHIBIT B

TERMS AND CONDITIONS CONTRACTS WITH AGENCIES

THE FOLLOWING TERMS AND CONDITIONS ARE HEREBY MADE A PART OF THIS CONTRACT:

1. Services to be provided

The contractor shall provide the services described for the consideration stated herein.

2. Payments

The Department and the State of Connecticut assume no liability for payment under the terms of this contract until said contract is fully executed.

Payments will be made as stated in this contract and will be contingent upon receipt and approval of all required reports in a timeframe established by the Department unless, in its sole discretion, the Department waives such a requirement.

The Contractor further agrees to return to the Department any unexpended funds within thirty (30) days after the expiration of this contract, or within thirty (30) days after the termination of this contract by either party.

The Department retains the right to adjust payments under this award to offset any unallowable expenditures or unexpended funds owed from a prior award or from a previously terminated grant award.

Contract funds may not be expended prior to the starting date or subsequent to the termination date of this contract.

3. Establishment of Policies and Procedures

The contractor assures that it will establish policies and provide procedures to assure sound fiscal control, effective management, and efficient use of contract funds. Fiscal control and accounting procedures will ensure proper disbursement and accounting of contract funds. Accounting procedures will provide for accurate and timely recording of receipt of funds by source, expenditures made from such funds, and unexpended balances. Controls will be adequate to ensure that expenditures charged to contract activities are for allowable purposes and documentation is readily available to verify that such charges are accurate.

4. Reporting Requirements

The contractor agrees to provide the Department with such statistical, financial, and programmatic information as is deemed necessary by the Department for the purpose of determining payments, establishing Grant formulas, monitoring and evaluating programs, and establishing management information systems.

The Department will be granted access at any reasonable time to the books and records pertaining to the program funded by this contract. Statistical reports shall be in the form prescribed by the Department.

5. Subcontractors

No subcontract may be entered into by the contractor for execution of project activities described unless incorporated into the approved application or approved in advance by the Department.

The contractor will notify the Department of the name, address, telephone number and principal place of business of each subcontractor if contractor subcontracts any portion of the contract funds. The contractor shall make good faith efforts to employ minority business enterprises as subcontractors.

6. Revisions to Program or Budget

Any proposed program revisions in the program described which alters the nature or scope of such program shall not be implemented until approval has been received in writing from the Department.

The Department's share in any line item expenditure, other than salaries, is limited to a variance of 5% or \$5,000.00, whichever is greater, of the level budgeted for Departmental participation unless notice of such proposed variance is given by the contractor to the Department at the contractor's earliest knowledge of such proposed variance and is accepted in writing by the Department. The Department's share in individual salary expenses is limited to a variance of 10% or \$3,500, whichever is greater, of the level budgeted for Department participation unless prior notice of any variance is given by the contractor and accepted in writing by the Department.

7. Funding Restrictions

Restrictions on Supplanting Funds

It is understood and agreed by both the Department and the contractor that in the event the contractor receives funding from any source other than those detailed in the contract, which supplements or supplants the State share of expenses, for services provided for under this contract, the Department shall be advised of such funding within ten (10) days after the contractor receives notice of such funding.

Further, the contractor assures that contract funds will not be used to supplant Federal, State, or local funds, amount of funding that would, in the absence of these funds, be made available.

Non-allowable Costs

Funds allotted to the Contractor by Department shall not be used for capital expenditures, or depreciation thereof. This restriction shall not be interpreted to prevent routing maintenance, but no such funds shall be used for construction or renovation of buildings.

Return of Funds

Any funds owing to the Department due to unanticipated funds received by the contractor for the same services from other sources or unallowable expenditures shall be refunded by the contractor within 90 days within receiving notice from the Department. Any funds remaining unexpended upon the expiration of the contract will be returned to the Department within 90 days.

8. Evaluation

The contractor, including all other recipients of assistance under this contract, whether by subcontractor or sub grant, agrees to develop or enhance program evaluation strategy acceptable to the Department. The contractor further agrees to cooperate with the Department to:

- a. determine whether program goals and objectives are attained;
- b. collect and maintain project and client data;
- c. supply project data to the Department or its designee; and
- d. permit access by the Department, or its designee, to any and all project information.

9. Rights of Acknowledgment

The contractor shall acknowledge the Department's support in all public statements, including annual reports, statements through the media, etc. to which State funds apply in whole or in part.

All records, assets, property, and documents of any nature including any program materials and curricula prepared or purchased by the contractor under this contract and subject to the terms of this agreement, is the property of the Department.

10. Confidentiality

The contractor shall abide by Connecticut General Statute 17a-28 regarding confidentiality of and access to records or communications which are identifiable to an individual serviced by and obtained through the contracted project.

11. Notice of Delay

If the program/project is not operational within 60 days of original starting date of the contract period, the contractor must report by letter to the Department the steps taken to initiate the project, the reasons for delay, and the expected starting date.

If the program/project is not operational in 90 days of the original starting date of the contract period, the contractor must submit a second statement to the Department explaining the implementation delay. Upon receipt of the 90-day letter, the Department reserves the right to cancel the contract, or where extenuating circumstances exist, the Department may extend the implementation date of the program/project past the 90-day period.

12. Termination for Default or for Convenience of the State

The performance of work under the contract may be terminated by the State of Connecticut in accordance with this clause in whole, or from time to time in part:

- a. Whenever the Contractor shall default in performance with its terms (including in the term "default" any such failure by the Contractor to make progress in the prosecution of the work hereunder), and shall fail to correct such default within a period of ten days (or such longer period as the Commissioner may allow) after receipt from the Commissioner of a notice specifying the default: or

- b. Whenever for any reason the Commissioner shall determine such termination is in the best interest of the State of Connecticut. Any such termination shall be effected by delivery to the Contractor of

a Notice of Termination specifying whether termination is for default of the Contractor or for the convenience of the State of Connecticut. The Contractor will then be notified of the extent to which performance of work under the contract is terminated and the date upon which such termination becomes effective.

13. Insurance

The Contractor agrees that while performing services specified in this agreement that he will carry sufficient insurance (liability and/or other) according to the nature of the work to be performed to “save harmless” the State of Connecticut from any insurable cause whatsoever. Certificates of same are to be filed with the agency prior to the performance of the services, if requested.

14. Audit Requirements

The Awardee shall cause to be prepared and delivered to the Department an audit performed by an Independent Public Accountant as defined by C.G.S. 7-396a, Public Act 91-401 and Public Act 92-121. Such audits shall be performed in accordance with generally accepted auditing standards and shall identify expenditures made by the Awardee that are not in compliance with the terms of this award. Such audits must be acceptable to the Executive Director of the Department and comply with regulations or recommendations as promulgated by the Office of Policy and Management or the Department.

The Awardee agrees that Auditors of Public Accounts of the State of Connecticut, and the Department shall have access to all records and accounts of the Awardee concerning each fiscal year during which this Agreement is in effect and to likewise make available records and accounts concerning the implementation of this Agreement for a period of three years after termination of the Agreement.

15. Non-discrimination On Basis of Sexual Orientation

(a) The Contractor agrees to 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 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 of the general statutes; (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 of the general statutes.

(b) The contractor shall include the provisions of section (a) 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 non-compliance in accordance with section 46a-56 of the general statutes; 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.

16. Special Conditions

The contractor agrees to comply with any special conditions attached hereto.

- 17.** The contractor agrees to disclose to the Executive Director of the Department any items of value provided to CTF employees for which full payment has not been made.

18. Choice of Law and Choice of Forum

The contractor agrees to be bound by the law 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.

- 19. Government Function:** If the amount of this contract exceeds two million five hundred thousand dollars, and if the contract is for the performance of a government function as that term is defined in Conn. Gen. Stat. § 1-200(11), as amended by Public Act No. 01-169 and Public Act 02-130, the Department is entitled to receive a copy of the records and files related to the Contractor's performance of a government function.

All records and files related to the Contractor's performance of a government function, as that term is defined in [Conn. Gen. Stat. § 1-200(11), as amended by Public Act No. 01-169 and Public Act 02-130,] are subject to the Freedom of Information Act and may be disclosed by the Department pursuant to that Act.

20. Whistle-blower Protection - If the amount of this contract is or exceeds five million dollars, the contract is subject to Conn. Gen. Stat. Sec. 4-61dd (e). 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 the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of this statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of the 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.

21. Executive Order No. 7C: Contracting Standards Board - This contract is also subject to provisions of **Executive Order No. 7C of Governor Jodi M. Rell, promulgated on July 13, 2006**. The Parties to this Agreement, as part of the consideration hereof, agree that: (1.) The State Contracting Standards Board ("the Board") may review this contract and recommend to the state contracting agency termination of the contract for cause. The state contracting agency shall consider the recommendations and act as required or permitted in accordance with the contract and applicable law. The Board shall provide the results of its review, together with its recommendations, to the state contracting agency and any other affected party in accordance with the notice provisions in the contract no later than fifteen (15) days after the Board finalizes its recommendation. For the purposes of this Section, "for cause" means: (i.) a violation of the State Ethics Code (Conn. Gen. Stat. Chapter 10) or Section 4A-100 of the Conn. Gen. Statutes or (ii.) wanton or reckless disregard of any state contracting and procurement process by any person substantially involved in such contract or state contracting agency. (2.) For the purposes of this Section, "contract" shall not include real property transactions involving less than a fee simple interest or financial assistance comprised of state or federal funds, the form of which may include but is not limited to grants, loans, loan guarantees, and participation interests in loans, equity investments and tax credit programs. Notwithstanding the foregoing, the Board shall not have any authority to recommend the termination of a contract for the sale or purchase of a fee simple interest in real property following transfer of title. (3.) Effective January 1, 2006, notwithstanding the contract value listed in Conn. Gen. Stat. §§ 4-250 and 4-251, all procurements between state agencies and private entities with a value of \$50,000 (fifty thousand dollars) or more in a calendar or fiscal year shall comply with the gift affidavit requirements of said Sections. Certification by agency officials or employees required by Conn. Gen. Stat. § 4-252 shall not be affected by this Section.

22. HIPAA Provisions

(a.) If the Contactor is a Business Associate under 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 the requirements of the Health Insurance Portability and Accountability Act of 1996 (“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 Department named on page 1 of this Contract (hereinafter “**Department**”) is a “covered entity” as that term is defined in 45 C.F.R. § 160.103; *and*
- (d.) 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*
- (e.) The Contractor is a “business associate” of the Department, as that term is defined in 45 C.F.R. § 160.103; *and*
- (f.) The Contractor and the Department agree to the following in order to secure compliance with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E:

I. Definitions

- A. Business Associate.** “Business Associate” shall mean the Contractor.
- B. Covered Entity.** “Covered Entity” shall mean the Department of the State of Connecticut named on page 1 of this Contract.
- C. Designated Record Set.** “Designated Record Set” shall have the same meaning as the term “designated record set” in 45 C.F.R. § 164.501.
- D. Individual.** “Individual” shall have the same meaning as the term “individual” in 45 C.F.R. 164.501 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).
- E. Privacy Rule.** “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.** “Protected Health Information” or “PHI” shall have the same meaning as the term “protected health information” in

45 C.F.R. § 164.501, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.

- G. Required by Law.** “Required by Law” shall have the same meaning as the term “required by law” in 45 C.F.R. § 164.501.
- H. Secretary.** “Secretary” shall mean the Secretary of the Department of Health and Human Services or his designee.
- I. More Stringent.** “More stringent” shall have the same meaning as the term “more stringent” in 45 C.F.R. § 160.103.
- J. Section of Contract.** “(T)his Section of the Contract” refers to the HIPAA Provisions stated herein, in their entirety.
- K. Security Incident.** “Security Incident” shall have the same meaning as the term “security incident” in 45 C.F.R. § 164.304.
- L. Security Rule.** “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, subparts A and C.

II. Obligations and Activities of Business Associate

- 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.
 - 1.** Business Associate agrees to use administrative, physical and technical safeguards as described in the Security Rule 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.
- C.** 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.

- D.** 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.
- E.** 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.
- F.** 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.
- G.** 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.
- H.** 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.
- I.** 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.
- J.** 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.
- K.** Business Associate agrees to comply with any state law that is more stringent than the Privacy Rule.

III. Permitted Uses and Disclosures 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:**
1. 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.
 2. 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.
 3. 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. § 154.514(e)(2)(i)(B).

IV. 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.

V. 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.

VI. 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:

1. 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
2. Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or
3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

C. Effect of Termination.

1. Except as provided in paragraph (2) of this subsection C, 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.

2. 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.

VII. 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 is 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 under Section VI, Subsection C of this Section of the Contract 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 paragraph II D of this Section of the 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.

The Contractor herein IS / IS NOT a Business Associate under HIPAA per Section 22*:
(circle one**)

Authorized signatory for the contractor

Authorized signatory for CTF

(Typed name and title)

Karen Foley-Schain/Executive Director
(Typed name and title)

Date

Date

** Department must make this determination before Contract is signed.
Updated Contracts Unit 10/01/06