____ Original Contract Number: **15OECNFN01WLM**
____ Amendment Number: _____
Maximum Contract Value: **$975,359.00**
Contractor Contact Person: **Marcia Geddes** Tel: **(203) 574-9000**
OEC Program: **Alice Ellovich** Tel: **(860) 713-5711**

# STATE OF CONNECTICUT
# PURCHASE OF SERVICE CONTRACT
**("POS", "Contract" and/or "contract")**
**Revised October, 2013**

**The State of Connecticut** OFFICE OF EARLY CHILDHOOD

**Street:** 165 CAPITOL AVENUE

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

**Tel#:** (860) 713-6450 **("Agency," "OEC," and/or "Department"), hereby enters into a Contract with:**

**Contractor's Name:** **WELLMORE, INC.**

**Street:** **141EAST MAIN STREET**

**City:** **WATERBURY** **State:** **CT** **Zip:** **06702**

**Tel#:** **(203) 339-6318**

**("Contractor"), for the provision of services outlined in Part I and for the compliance with Part II. The Agency and the Contractor shall collectively be referred to as "Parties". The Contractor shall comply with the terms and conditions set forth in this Contract as follows:**

| | |
|---|---|
| **Contract Term** | This Contract is in effect from **10/01/15** through **06/30/18.** |
| **Statutory Authority** | The Agency is authorized to enter into this Contract pursuant to P.A. 14-39; and Connecticut General Statutes ("C.G.S.")§4-8, 17b-500, 17b-751b, and 17b-751d. |
| **Set-Aside Status** | Contractor ☐ IS or ☒ IS NOT a set aside Contractor pursuant to C.G.S. § 4a-60g. |
| **Effective Date** | This Contract shall become effective only as of the date of signature by the Agency's authorized official(s) and, where applicable, the date of approval by the Office of the Attorney General ("OAG"). Upon such execution, this Contract shall be deemed effective for the entire term specified above. |
| **Contract Amendment** | Part I of this Contract may be amended only be means of a written instrument signed by the Agency, the Contractor, and, if required, the OAG. Part II of this Contract may be amended only in consultation with, and with the approval of, the OAG and the State of Connecticut, Office of Policy and Management ("OPM"). |

All notices, demands, requests, consents, approvals or other communications required or permitted to be given or which are given with respect to this Contract (collectively called "Notices") shall be deemed to have been effected at such time as the Notice is hand-delivered, placed in the U.S. mail, first class and postage prepaid, return receipt requested, or placed with a recognized, overnight express delivery service that provides for a return receipt. All such Notices shall be in writing and shall be addressed as follows:

| | | | |
|---|---|---|---|
| If to the Agency: | **STATE OF CONNECTICUT**<br>**OFFICE OF EARLY CHILDHOOD**<br>**FAMILY SUPPORT SERVICES**<br>**165 CAPITOL AVENUE**<br>**HARTFORD, CT 06106**<br>Attention: **Karen Foley-Schain** | If to the Contractor: | **WELLMORE, INC.**<br>**141EAST MAIN STREET**<br>**WATERBURY, CT 06702**<br><br>Attention: **Marcia Geddes** |
| Not forgoing the notice requirements herein, whenever practicable and permissible, the Contractor and the Agency shall communicate via electronic mail. This shall include, but not be limited to, electronic submission of contract documents and reports. | | | |

A party may modify the addressee or address for Notices by providing fourteen (14) days' prior written Notice to the other party. No formal amendment is required.

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## Part I. SCOPE OF SERVICES, CONTRACT PERFORMANCE, BUDGET, REPORTS AND OTHER PROGRAM-SPECIFIC PROVISIONS

The Contractor shall provide the following specific services for the **Nurturing Families Network (NFN)** program and shall comply with the terms and conditions set forth in this Contract as required by the Agency, including but not limited to the requirements and measurements for scope of services, Contract performance, quality assurance, reports, terms of payment and budget. No sections in this Part I shall be interpreted to negate, supersede or contradict any section of Part II. In the event of any such inconsistency between Part I and Part II, the sections of Part II shall control.

### A. DESCRIPTION OF SERVICES

**1. NFN Services**

a. The NFN Program provides a system of continuous care to promote positive parenting and reduce the incidence of child abuse and neglect. The mission of the Program is to work in partnership with parents facing the challenges of parenthood by enhancing their strengths, providing education, and creating community connections.

b. The NFN Program has three primary components – Intensive Home Visiting, Nurturing Connections, and Nurturing Parenting Groups.

i. The Intensive Home Visiting program component provides weekly home visitation and case management services to a) to all pregnant and first-time parents if the services are State-funded; and/or b) all pregnant women and any parents living in identified high risk communities if the services are Federally-funded. Program services begin prenatally whenever possible; in the hospital at the time of the child's birth; or at the latest before the child's third month of age.

ii. Nurturing Connections conducts universal screening of all pregnant and first-time parents. Parents determined through the risk assessment described in Part I, Section A.4.e.i below to be at lower risk of being abusive or neglectful are contacted by telephone and offered support, educational materials, and referral information to other community services.

iii. Nurturing Parenting Groups are community-based parenting education and support groups for families at various risk levels.

c. Until expiration or termination of this contract, the Contractor shall provide ongoing contact and support to NFN Program Clients through Nurturing Connections for a minimum of three months after the client's first child is born, and through Intensive Home Visiting until the client's first-born child is five years old.

d. Throughout the term of this contract, the Contractor shall operate the **Nurturing Connections, Nurturing Parent Group and Intensive Home Visiting** components of the Program in the geographic area served by the **St. Mary's Hospital, Waterbury, Connecticut**, hereinafter referred to as "Hospital."

e. The Contractor shall perform the following activities to support the NFN Program:

i. Provide a comprehensive risk assessment of all first-time parents, identify families that would benefit most from the NFN Program, and provide and coordinate support services including but not limited to community-based home visiting intervention services, counseling, child care; primary health care services, and follow-up support services until the first-born child attains the age of five.

ii. Screen families who present for services in the geographic area served by the Hospital to ensure capacity of program components.

iii. Use the Revised Early Identification (REID) tool to screen all families referred to the NFN Program by a source other than the Hospital or Contractor**.**

iv. Actively participate in the NFN Program collaborative network and attend meetings as required by the OEC.

v. Enter into a Memorandum of Understanding with all the birthing hospitals within its geographic service area and other community agencies in Connecticut to participate in a referral network.

vi. Complete all pre-service and in-service training as required by the OEC.

vii. Purchase all training curriculum and materials as required by the OEC.

viii. Maintain caseload limits of no more than 25 families per home visitor at any given time. Full-time NFN home visitors shall schedule and conduct a minimum of 10-12 home visits per week or 43-52 home visits per month.

## B. CLIENT-BASED OUTCOMES AND MEASURES

The Contractor shall implement the programs described herein to assure the following outcomes on behalf of Clients. The OEC will monitor progress towards achieving outcome results. Outcomes shall be measured through the programmatic and statistical reports provided by the Contractor and submitted to the OEC.

**NFN Program Outcomes and Measures**

**Outcome 1:** Clients show positive change.
**Measure 1:** Clients' scores will increase at least 5% after one year of NFN Program participation, as measured on the Community Life Skills Scale.
**Measure 2:** Clients' scores will decrease at least 5% after one year of NFN Program participation, as measured on the Child Abuse Potential Inventory- Rigidity Subscale.
**Measure 3:** At least 50% of Clients' average scores decrease at least 5% after 6 months of Program participation, as measured on the Child Abuse Potential Inventory-Rigidity Subscale.

**Outcome 2:** Clients make changes in rates of employment.
**Measure 1:** Clients' employment rates increase at least 50% after one year of NFN Program participation.

## C. REPORTING.

The Contractor will submit all required reports to the OEC's Program representative(s) located at Office of Early Childhood, Family Support Services Division, 165 Capitol Avenue, Hartford, CT 06106.

1. **Programmatic/Statistical Reporting**

a. The Contractor shall submit Program Status Reports for the Program in a format agreed upon by the Contractor and the OEC, no later than 30 calendar days following the end of each quarter during the contract period. The final report shall be submitted no later than 60 calendar days following the end of the entire contract period.

b. Additional Program-Specific Reporting Requirements.

i. The Contractor shall provide all requested information and documentation to the OEC's Evaluation Consultant in accordance with a time schedule provided by the OEC. The Contractor agrees that program participants will be assigned a number and that number, without any identifying participant information, will be provided to the OEC's Evaluation Consultant**.** The OEC's Evaluation Consultant shall evaluate all Nurturing Families Network programs.

2. **Financial Reporting**

a. The Contractor will submit to the OEC fiscal reports on forms provided by the OEC on the following schedule:

| Reporting Period | Reports Due on or before |
|---|---|
| October 1, 2015 – March 31, 2016 | April 30, 2016 |
| October 1, 2015 – June 30, 2016 | July 31, 2016 |
| July 1, 2016 – December 31, 2016 | January 31, 2017 |
| July 1, 2016 – March 31, 2017 | April 30, 2017 |
| July 1, 2016 – June 30, 2017 | July 31, 2017 |
| July 1, 2017 – December 31, 2017 | January 31, 2018 |
| July 1, 2017 – March 31, 2017 | April 30, 2018 |
| July 1, 2017 – June 30, 2017 | July 31, 2018 |

b. The Contractor shall demonstrate a concerted effort to seek third party reimbursement as applicable as documented in the fiscal reports.

c. **Annual Audit:** Notwithstanding the provisions of Part II, Section C.5. of this Contract, no later than six months after the close of the Contractor's fiscal year, the Contractor shall provide to the OEC a complete annual financial audit acceptable to the OEC for all program funds, whether state awarded or not. Such audit shall include audit recommendations. The OEC reserves the right to receive a copy of any audit for related parties under common control. The Contractor shall maintain all fiscal records and accounts for three years after the end of the contract year, or until the State Auditors of Public Accounts complete an audit of the OEC for such fiscal year, whichever is later. The State Auditors of Public Accounts shall have access to such fiscal records and accounts during such period.

d. **Interest:** Any interest earned by the Contractor as a result of payments authorized by the OEC shall be reported to the OEC by the Contractor on the next Financial Report submitted after that interest income is earned. The Contractor agrees to follow the OEC's direction as to the disposition of such interest income.

## D. PROGRAM ADMINISTRATION

### 1. General Program Administration and Quality Assurance

a. The Contractor's administrative office is located at **141 East Main Street, Waterbury, CT 06702.**

b. The Contractor will convene a full meeting of its Board of Directors in accordance with its bylaws during the contract period.

c. The Contractor's Board of Directors agrees to conduct an annual Program self-assessment by monitoring the Program services provided under this contract to assess goals, progress, and effectiveness and will make a report with recommendations to the Contractor's administrative and program staff. The Program self-assessment report will be made available to the OEC's Program representative at the time of the annual OEC on-site review.

d. The Contractor agrees to participate in any Program evaluation as approved by the OEC.

e. Clients will participate in a Program evaluation process by completing a client satisfaction survey as provided by the Contractor. A summary of these surveys will be included in the Program evaluation report described herein.

f. The Contractor agrees to develop and maintain policies relative to personnel. Said personnel policies shall be maintained at the Contractor's location in the Contractor's files and be made available to the OEC as requested by the OEC, its representatives and its agents. The Contractor further agrees to submit a copy of its personnel policies to the OEC, if requested, within 10 days of receipt of such request.

g. The Contractor shall submit resumes for all program staff including new hires to the OEC's designated representative located at **Office of Early Childhood, Family Support Services Division, 165 Capitol Avenue, Hartford, CT 06106.**

h. The Contractor shall follow the work plan for each Program including timetable and staffing plan as approved by the OEC.

i. **Notification of Changes in Personnel:** The Contractor shall immediately notify the OEC in writing whenever the Contractor intends to make or undergo changes in the following personnel:

   a. Key personnel, i.e., Chief Executive Officer, Chief Financial Officer, Program Directors and officers and members of the Contractor's Board of Directors.

   b. Program staff, positions and service personnel (program manager, clinical supervisor and other Program staff) employed by the Contractor or its subcontractors as applicable to services funded under this Contract.

j. The Contractor agrees to comply with any and all applicable regulations adopted by the OEC or other Agencies pursuant to the services provided under this contract and, as applicable, require that all pertinent subcontractors comply as well.

k. The performance of the Contractor and of its subcontractors, shall be reviewed and evaluated at least annually by OEC staff. Such reviews and evaluations may be performed by examination of client records, service logs, other documents and reports, and a meeting(s) with Contractor staff and/or clients and Board members. Site visits will be conducted at funded facilities and program sites administered by the Contractor.

l. **Transport of Clients:** In the event that the Contractor or any of its employees or subcontractors shall, for any reason, transport a client, the Contractor hereby agrees to the following:

i. The Contractor shall require that its employees, subcontracted transportation providers, drivers, and vehicles meet licensure or certification requirements established by the State of Connecticut Department of Transportation (DOT) and the State of Connecticut Department of Motor Vehicles (DMV) that transport, or have the potential to transport, clients; and

ii. All vehicles utilized shall be appropriately licensed, certified, permitted, and insured

**2. NFN Program-Specific Terms**

a. Throughout the term of this contract, the Contractor will staff the NFN Program with the following positions:

| Position | hours/week | weeks/year (if less than full year) | % time charged to contract |
|---|---|---|---|
| Clinical Supervisor | 40.00 | 39.00 | 91.08% |
| Family Assessment Worker | 40.00 | 39.00 | 91.08% |
| Family Support Provider | 40.00 | 39.00 | 91.08% |
| Family Support Provider | 40.00 | 39.00 | 91.08% |
| Family Support Provider | 40.00 | 39.00 | 91.08% |
| Family Support Provider | 40.00 | 39.00 | 91.08% |
| Vice President of Child Services | 40.00 | 39.00 | 3.66% |
| Director Home Based Services | 40.00 | 39.00 | 5.50% |
| Office Manager | 40.00 | 39.00 | 3.66% |
| In Home Clerical Support | 40.00 | 39.00 | 1.83% |
| In Home Clerical Support | 40.00 | 39.00 | 3.66% |
| Chief Executive Officer | 40.00 | 39.00 | 1.74% |
| Chief Financial Officer | 40.00 | 39.00 | 1.74% |
| Executive Assistant | 40.00 | 39.00 | 1.74% |
| Controller | 40.00 | 39.00 | 1.74% |
| Senior Financial Analyst | 40.00 | 39.00 | 1.74% |
| Senior Accountant | 40.00 | 39.00 | 1.74% |
| Accountant | 40.00 | 39.00 | 1.74% |
| Accounting Clerk | 40.00 | 39.00 | 1.74% |
| Accounting Clerk | 40.00 | 39.00 | 1.74% |
| Credentialing Specialist | 24.00 | 39.00 | 1.74% |
| Director of Facilities | 40.00 | 39.00 | 1.74% |
| Facilities Assistant | 40.00 | 39.00 | 1.74% |
| Facilities Assistant | 40.00 | 39.00 | 1.74% |
| Director of Planning & Organization | 40.00 | 39.00 | 1.74% |
| IT Network Manager | 40.00 | 39.00 | 1.74% |
| Network Administrator | 40.00 | 39.00 | 1.74% |
| Network Support Specialist | 40.00 | 39.00 | 1.74% |

| | | | |
|---|---|---|---|
| IT Support Tech | 40.00 | 39.00 | 1.74% |
| Quality Performance Data Analyst | 40.00 | 39.00 | 1.74% |
| IT Applications Manager | 40.00 | 39.00 | 1.74% |
| Data Application Specialist | 40.00 | 39.00 | 1.74% |
| Director Human Resources | 40.00 | 39.00 | 1.74% |
| Human Resource Generalist | 40.00 | 39.00 | 1.74% |
| Human Resource Assistant | 40.00 | 39.00 | 1.74% |
| Per Diem Administrative Support | 32.00 | 39.00 | 1.74% |

b. The Contractor shall provide NFN Program services at the following locations during the standard hours of operation listed: **141 East Main Street, Waterbury, CT 06702, Monday through Friday 9:00 am – 5:00 pm and as needed.**

c. The Contractor shall seek prior approval from the OEC before making any changes to the service components of the NFN Program, namely, Intensive Home Visiting, Nurturing Parenting Group, and Nurturing Connections.

d. The Contractor agrees to administer the NFN Program services in accordance with the current version of the OEC's "The Nurturing Families Network Policy and Practice Manual" as amended from time to time. The OEC shall post the most current version of the Manual online at http://www.ct.gov/ctf/lib/ctf/publications/final_policy.pdf .

e. The Contractor agrees to follow the policies and procedures recommended by the Continuous Quality Improvement (CQI) Team and approved by the OEC.

f. The Contractor agrees to serve on the CQI Team if elected to the delegation representing the Contractor's service area.

g. The performance of the Contractor will be reviewed and evaluated at least annually by comparing its outcomes with the statewide aggregate outcomes on all evaluation measures. The statewide aggregate outcomes shall serve as the minimum performance standard for this purpose. Site visits will be conducted at funded facilities and program sites administered by the Contractor.

h. The Contractor shall not seek reimbursement from the Federal Government for any of the services offered by the NFN Program.

## E. BUDGET AND PAYMENT PROVISIONS

1. The OEC agrees to pay for the services provided and as described under this contract up to a maximum amount not to exceed **$975,359.00** for the entire contract period.

2. **Budget.** The Contractor agrees to utilize OEC funds in accordance with the budget(s) contained herein. Budgets for Funding Periods not included herein shall remain the same as the included budget until and unless formally revised via the OEC's Budget Revision process or via formal amendment to this contract.

3. **Budget Variance**

   a. The Contractor may transfer funds from one category to another (except for equipment) in the agreed upon and approved budget included in this contract for a single component without prior notification of the OEC under the following conditions:

      i. The amount by which a single category may be increased may not exceed **20% of the approved amount or $5,000.00,** whichever is greater. This applies only to category amounts in the formally approved budget subsequently approved budget revisions.

      ii. The Contractor may vary an individual salary or wage by no more than **15%** of the approved amount;

Effective Date: 10/7/2015
CONTRACT NUMBER: 15OECNFN01WLM-$975,359.00 33mths
CONTRACT PERIOD: 10/01/2015 through 06/30/2018
ST FISCAL YR (SFY): 2016
PROVIDER: Wellmore
*Approved by:* *CappuccittiM*

| 4000 INCOME | | NFN | Total Income |
|---|---|---|---|
| | Program Funding Period: | 10/01/2015 through 06/30/2016 | |
| | | SFY'16 $266,007.00 + SFY'17 $354,676.00 + SFY'18 $354,676.00= $975,359.00 | |
| | | DDAP = State $ | |
| 4100 CONTRACT FUNDING | SID | $ 266,007 | $ 266,007 |
| 4101 State Funds | 12042-OEC...007 | $ 266,007 | $ 266,007 |
| TOTAL INCOME | | $ 266,007 | $ 266,007 |
| **5000 DIRECT EXPENSES** | | **NFN** | **Total Expenses** |
| 5100 SALARIES | | $ 161,527 | $ 161,527 |
| 5101 Staff Salaries & Wages | | $ 161,527 | $ 161,527 |
| 5200 FRINGE BENEFITS | | $ 44,355 | $ 44,355 |
| 5300 CONTRACTUAL SERVICES | | $ 4,320 | $ 4,320 |
| 5304 Other Contractual (specify in narrative) | | $ 4,320 | $ 4,320 |
| 5400 TRANSPORTATION | | $ 4,135 | $ 4,135 |
| 5401 Staff Travel Reimbursement | | $ 3,930 | $ 3,930 |
| 5403 Vehicle Maintenance | | $ 205 | $ 205 |
| 5500 MATERIALS AND SUPPLIES | | $ 2,729 | $ 2,729 |
| 5501 Food | | $ 68 | $ 68 |
| 5503 Equipment (Less than $5,000) | | $ 672 | $ 672 |
| 5504 Other Mtrls and Sppls (specify in narrative) | | $ 1,989 | $ 1,989 |
| 5600 FACILITIES | | $ 5,517 | $ 5,517 |
| 5601 Rent and Real Estate Taxes | | $ 4,418 | $ 4,418 |
| 5602 Security | | $ 33 | $ 33 |
| 5603 Maintenance & Repair - Facility and Plant | | $ 402 | $ 402 |
| 5604 Utilities | | $ 664 | $ 664 |
| 5800 OTHER EXPENSES | | $ 10,372 | $ 10,372 |
| 5801 Communications | | $ 3,600 | $ 3,600 |
| 5802 Insurance | | $ 4,386 | $ 4,386 |
| 5803 Housekeeping | | $ 1,107 | $ 1,107 |
| 5804 Staff Training and Conferences | | $ 410 | $ 410 |
| 5806 Other (specify in narrative) | | $ 869 | $ 869 |
| TOTAL DIRECT EXPENSES | | $ 232,955 | $ 232,955 |
| **7000 INDIRECT EXPENSES** | | **NFN** | **Total Expenses** |
| 7100 ADMINISTRATIVE & GENERAL | | $ 33,052 | $ 33,052 |
| 7111 Staff Salaries & Wages | | $ 23,213 | $ 23,213 |
| 7120 Fringe Benefits | | $ 6,330 | $ 6,330 |
| All Other A&G | | $ 3,509 | $ 3,509 |
| TOTAL INDIRECT EXPENSES | | $ 33,052 | $ 33,052 |
| TOTAL EXPENSES | | $ 266,007 | $ 266,007 |
| **INCOME/EXPENSE SUMMARY** | | **NFN** | **Total** |
| TOTAL INCOME | | $ 266,007 | $ 266,007 |
| TOTAL EXPENSES | | $ 266,007 | $ 266,007 |
| EXCESS/(SHORTAGE) | | $ - | $ - |

iii. Budget flexibility is to be applied to each component separately and is not to be computed on the composite budget items.

iv. The number of people or the percentage of time charged to a job classification may be increased, provided this does not exceed the flexibility cited above.

v. The Contractor may not make any transfer under this procedure that involves any of the categories or kinds of expenditures specifically listed below.

vi. All such transfers shall be reflected on the next submitted financial report.

b. The OEC requires the following changes in approved Program budgets to have prior written OEC approval by a formal budget revision and/or formal contract amendment:

i. The purchase of an item of equipment not approved in the original budget.

ii. A transfer that involves an increase of an approved category amount by more than **20%** or **$5,000.00,** whichever is greater.

iii. A transfer which involves an increase in salary or wages by more than 15%;

iv. Any increase in compensation for services under a third party contract.

v. Any transfers of funds from one component to another.

vi. Any transfer of budgeted Program income or food reimbursement.

c. The OEC shall respond to a properly executed request within 45 days of receipt.

d. No budget revisions proposed by the Contractor may be submitted later than 45 calendar days prior to the end of each contract year during the contract period, except that the OEC may entertain at any time a budget revision for the purpose of increasing funds solely for the audit of the Program. The final financial report shall show all category overruns. Costs incurred after the end of the budget period shall be disallowed except those which the OEC has expressly approved in writing and in advance.

4. **Payments**

a. The Contractor shall submit requests for payment as directed by the OEC to the OEC's Program representative located at Office of Early Childhood, Family Support Services Division, 165 Capitol Avenue, Hartford, CT 06106.

b. Payment Schedule. The OEC will make payments on the following schedule:

i. The initial payment shall be made upon execution of the contract by both parties, and if applicable, approval by the Connecticut Attorney General

ii. Subsequent payments shall be made on a calendar quarterly basis.

c. Requests for payment shall be reviewed by OEC staff and if approved funds shall be released based on submission by the Contractor of financial reports; the availability of funds; and the Contractor's compliance with the terms of the contract.

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

5. **Unexpended Funds:**

   a. Whenever the OEC determines from its review of the Contractor's audited annual financial statements and program operations that the total paid under this contract, together with applicable program income from other sources, exceeds the total expenses of the program, such excess income shall be deemed by the OEC to be unexpended funds. If the Contractor is not required to submit audited annual financial statements, the OEC may utilize the final annual financial report to determine the existence and amount of unexpended funds.

   b. Unexpended funds shall be identified by and returned to the OEC in the following manner:

      i. Funds paid to the Contractor shall be identified by the OEC's "Special Identification Number" (SID). The payments made by the OEC shall be compared to the expenses reported by the Contractor, by SID as noted on the "Schedule of Expenditures of Financial Assistance" and/or "Schedule of Expenditures of Federal Financial Assistance" or other similar schedule(s) as required by the Federal and State Single Audit acts.

      ii. If the Contractor is not required to file Single Audit Reports, the OEC may utilize the Contractor's Annual Financial Report to determine any unexpended funds.

      iii. If payments made by the OEC exceed the expenses reported, the OEC may recoup such payments by (a) offsetting a future contract payment by the amount of the unexpended funds calculated by the OEC or (b) requesting payment from the Contractor by check or other means as determined by the OEC.

      iv. If requested to return unexpended funds by check, the Contractor shall return to the OEC the amount of unexpended funds subject to recoupment not later than thirty (30) days after receipt of written notice from the OEC that such amount is due.

      v. The OEC may recoup from future contract payments an amount equal to such unexpended funds subject to recoupment that remain unpaid more than sixty (60) days after receipt of said written notice.

   c. The Contractor may request that a portion of unrestricted operating income which is in excess of funds paid under this contract be designated for a special or future use provided that such request:

      i. Is made to the OEC in writing in advance of such use;

      ii. Specifies the amount being requested and substantiates that said portion is not required to meet current operating expenses;

      iii. Is accompanied by written documentation that the request for such designation is authorized by the Contractor's governing authority; and

      iv. Details the purposes for which the Contractor proposes to use the **requested** amount. At the sole discretion of, and only upon specific prior written approval from, the OEC, funds so designated shall not be deemed unexpended funds and shall not be subject to section a. of this provision.

   d. Absent specific prior written approval from the OEC under subsection c of this section, the Contractor shall not expend, transfer or otherwise use funds deemed by the OEC to be unexpended funds and all such funds shall be subject to subsection a. of this section.

6. **Sanctions**

   a. It is agreed by the parties that the Contractor's failure to comply with the terms of this contract may result in damage to the OEC and therefore the OEC may assess a monetary sanction against the Contractor.

   b. The conditions by which the OEC may impose a monetary sanction shall be set forth in a policy transmittal prepared by the OEC and provided to the Contractor following the execution of this Contract.

7. **State Requirements**

   a. **Audit Submission Process**: If the Contractor expends $300,000 or more in State financial assistance during any State fiscal year during the contract, the Contractor shall submit its A-133 and state single audit electronically to

the OEC through a state-wide electronic system. The system is entitled "Office of Policy and Management - Electronic Audit Reporting System (EARS)". The link to access the system is: https://www.appsvcs.opm.ct.gov/Auditing/Home.aspx. The Contractor shall send the OEC an e-mail alert stating that its audit has been uploaded to the identified system. If the Contractor requests an extension from the Office of Policy and Management, associated with the required audit submission, the Contractor must provide the OEC with a copy of the approved request.

b. **Match Requirements**: The Contractor also warrants that it is aware that funds provided by the OEC under this contract may be used for a service match. The Contractor must obtain OEC permission prior to identifying any or all of the allocated services as a service or monetary match. The OEC shall respond to all requests within five business days of receipt.

8. **Equipment.** Equipment is defined as machinery, tools, furniture, vehicles, and other personal property with a normal useful life of more than one year and a value of $5,000.00 or more, or as revised by the Comptroller of the State of Connecticut. Equipment purchased, in whole or in part, with funds provided by the OEC under this contract shall be considered the property of the OEC. Equipment shall be considered purchased from Contractor funds if the program has other sources of income equal to or greater than the equipment purchase price. Such purchases shall be considered to be the property of the Contractor. Equipment to be purchased for the program with OEC funds must be identified and the cost itemized in the approved budget in Part I of this contract or in a budget revision form. The following provisions apply to equipment purchases made in full or in part with OEC funds:

a. The Contractor shall obtain the prior approval of the OEC either through the contract application budget or a budget revision. Each piece of equipment to be purchased and its costs must be clearly itemized.

b. The Contractor shall obtain three competitive bids with the purchase to be made from the lowest qualified bidder.

c. The Contractor shall maintain an inventory of all equipment purchased with OEC funds.

d. As part of its annual audit statement, The Contractor shall submit verification by the auditor of the continued possession of all equipment purchased with OEC funds.

e. Any item of equipment purchased with OEC funds shall not be discarded or sold or removed from the inventory without the prior written approval of the OEC.

f. If OEC funding to the Contractor is terminated or not renewed, the OEC shall determine the manner of the disposition of all equipment purchased in full or in part with OEC funds by:

i. Permitting the Contractor to retain and use the property;

ii. Allowing the Contractor to sell the equipment and return the proceeds to the OEC, minus an agreed upon amount to compensate for the costs of selling the property; or

iii. Returning the equipment to the OEC.

## F. SUBCONTRACTED SERVICES.

1. In accordance with Part II, Subcontracts (Section C.9), the Contractor shall enter into a subcontract with the service providers whose identity, services to be rendered and costs shall be specified below:

| Subcontracting Organization | Address | Description of Services | Performance Period | Payment Terms / Total Value |
|---|---|---|---|---|
| | | | | |

2.

a. Absent compliance with subsection 1 above, in accordance with Part II, Subcontracts (Section C.9), if following the execution and approval of this contract, the Contractor has identified subcontractors for which it would like to retain, then the Contractor may propose the use of subcontractors not specified herein. The Contractor must request and obtain prior written approval from the OEC before finalizing any subcontract arrangement.

b. Each request to approve a subcontract arrangement must: (1) identify the name and business address of the proposed subcontract; (2) describe the services to be performed by the subcontractor; (3) identify the performance period, the payment terms and total value of the subcontract; process of notification of changes to subcontractor funding , process for contract resolution between the contactor and subcontractors; and (4) provide assurances to the OEC that the proposed subcontract contains the terms specified in subsection 3 below.

3. Each and any subcontract must contain terms that shall require the subcontractor to adhere to the requirements of Part II, including but not limited to:

   a. Client-Related Safeguards (Section B);

   b. Contractor Obligations (Section C) – specifically: Federal Funds, Audit Requirements, Related Party Transactions, Suspension or Debarment, Independent Capacity of Contactor, Indemnification [of the State], Insurance, Compliance with Law and Policy, Facilities Standards and Licensing, Representations and Warranties, Record Keeping and Access, Protection of Personal Data, Litigation, and Sovereign Immunity;

   c. Changes To The Contract, Termination, Cancellation and Expiration (Section D) – specifically: Contractor Changes and Assignment; and

   d. Statutory and Regulatory Compliance (Section E).

4. The Contractor agrees to be responsible to the OEC for the performance of any subcontractor. The establishment of a subcontractor relationship shall not relieve the Contractor of any responsibility or liability under this contract. The Contractor shall bear full responsibility, without recourse to the OEC, for the subcontractor's performance.

5. The Contractor shall retain the OEC's written approval and each subcontract in the contract file.

6. Absent compliance with this section, no Contractor Party expense related to the use of a subcontractor shall be paid or reimbursed by the OEC unless the OEC, in its sole discretion, waives compliance with the requirements of this section. In order to be effective, any waiver of the requirements of this section must be in writing and signed by the OEC Commissioner or his/her designee pursuant to C.G.S. § 4-8. The OEC, in its discretion, may limit or condition any waiver of these requirements as it deems appropriate, including, for example, by limiting the dollar amount or any waiver, requiring proof that the subcontractor provided services under the contract, by requiring that any federal requirements under any federal grant program are satisfied, and/or requiring proof that the Contractor utilize the funds paid under the contract to promptly pay the subcontractor for services rendered.

## G. PROCEDURE FOR TERMINATION.

1. **Termination by the OEC**. In addition to the sections in Part II of this contract, upon delivery to the Contractor of a Notice of Termination specifying the nature of the termination and the date upon which such termination becomes effective the Contractor shall:

   a. Stop work under the contract on the date and to the extent specified in the Notice of Termination;

   b. If the OEC so directs, terminate all subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination or assign to the OEC in the manner and to the extent directed by the OEC all of the right, title, and interest of the Contractor under the subcontracts not so terminated, in which case the OEC shall have the right, in its discretion, to settle or pay any and all claims arising out of the termination of such subcontracts;

   c. Complete the performance of the work that has not been terminated by the Notice of Termination; and

   d. Be entitled to payment for services agreed upon by the parties and rendered to the OEC's satisfaction through the effective date of termination.

2. **Reduction of Services or Termination by the Contractor.** In the event that the Contractor terminates this contract, closes, reduces services or relocates any program funded under this contract, or if for any reason, the fiduciary responsibility of the Contractor changes, or if the OEC does not offer funding for the subsequent fiscal year, then pursuant to Part II D. 7. of this Contract, the OEC and the Contractor shall negotiate and resolve the following issues:

   a. The time lines for closure of the program;

b. Closure of admissions and the transfer or clients remaining in the program at the time of closure;

c. The amount of any final payments due the Contractor or refunds due the OEC; and

d. The transfer or storage of all program records pursuant to the requirements of the Federal Confidentiality Regulations, 42 C.F.R. Part 2;

e. The disposition of property and equipment in which the OEC has a financial interest pursuant to the requirements of Regs., of Conn. State Agencies, § 17-226d-4(i), (1),(2) including Bond Fund Award liens and obligations;

f. Notification to clients of the closure, their options for transfer to other programs and the Contractor's obligations to facilitate such transfer; and

g. Any other issues pertinent to the specific situation causing the reduction or termination of services.

**H. SEVERABILITY.** If any section of this Contract is declared or found to be illegal, unenforceable, or void, then both parties shall be relieved of all obligations under that section. The remainder of this contract shall be enforced to the fullest extent permitted by law.

**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. <u>Statutory and Regulatory Compliance</u>.**

**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"), as noted in this Contract, 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 is a "business associate" of the Agency, as that term is defined in 45 C.F.R. § 160.103; and

(e) 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, D and E (collectively referred to herein as the "HIPAA Standards").

(f) Definitions

(1) "Breach" shall have the same meaning as the term is defined in section 45 C.F.R. 164.402 and shall also include an use or disclosure of PHI that violates the HIPAA Standards.

(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, and includes electronic PHI, as defined in 45 C.F.R. 160.103, limited to information created, maintained, transmitted or received by the Business Associate from or on behalf of the Covered Entity or from another Business Associate 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 45 C.F.R. 164.402.

(g) 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 and maintain appropriate safeguards and comply with applicable HIPAA Standards with respect to all PHI and to prevent use or disclosure of PHI other than as provided for in this Section of the Contract and in accordance with HIPAA standards.

(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, in accordance with 45 C.F.R. 502(e)(1)(ii) and 164.308(d)(2), if applicable, to ensure that any subcontractors that create, receive, maintain or transmit protected health information on behalf of the business associate, agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information;.

(7) Business Associate agrees to provide access (including inspection, obtaining a copy or both), at the request of the Covered Entity, and in the time and manner designated by the Covered Entity, , 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. Business Associate shall not charge any fees greater than the lesser of the amount charged by the Covered Entity to an Individual for such records; the amount permitted by state law; or the Business Associate's actual cost of postage, labor and supplies for complying with the request.

(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 designated by the Covered Entity.

(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, maintained, transmitted 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 investigating or determining Covered Entity's compliance with the HIPAA Standards..

(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 designated by the Covered Entity, information collected in accordance with subsection (g)(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;

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

(D) amend PHI in the individual's designated record set,

the Business Associate agrees to notify the Covered Entity, in writing, within five business days of the request.

(15) Business Associate agrees that it shall not, and shall ensure that its subcontractors do 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 by the Business Associate or by a subcontractor of the Business Associate of any use or disclosure not provided for by this section of the Contract, any breach of unsecured protected health information, or any Security Incident, it shall notify the Covered Entity of such breach in accordance with Subpart D of Part 164 of Title 45 of the Code of Federal Regulations 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, or a subcontractor of the Business Associate, except as otherwise instructed in writing by a law enforcement official pursuant to 45 C.F.R. 164.412. . A breach is considered discovered as of the first day on which it is, or reasonably should have been, known to the Business Associate or its subcontractor. 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 description of what happened, including the date of the breach; the date of the discovery of the breach; the unauthorized person, if known, who used the PHI or to whom it was disclosed; and whether the PHI was actually acquired or viewed.

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 Individual(s) take to protect themselves from potential harm resulting from the breach.

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

5. Whether a law enforcement official has advised the Business Associate, either verbally or in writing, that he or she has determined that notification or notice to Individuals or the posting required under 45 C.F.R. 164.412 would impede a criminal investigation or cause damage to national security and; if so, contact information for said official.

(D) If directed by the Covered Entity, the Business Associate agrees to conduct a risk assessment using at least the information in subparagraphs 1 to 4, inclusive of (g) (16) (C) of this Section and determine whether, in its opinion, there is a low probability that the PHI has been compromised. Such recommendation shall be transmitted to the Covered Entity within 20 business days of the Business Associate's notification to the Covered Entity.

(E) If the Covered Entity determines that there has been a breach, as defined in 45 C.F.R. 164.402, by the Business Associate or a subcontractor of the Business Associate, the Business Associate, if directed by the Covered Entity, shall provide all notifications required by 45 C.F.R. 164.404 and 45 C.F.R. 164.406.

(F) Business Associate agrees to provide appropriate staffing and have established procedures to ensure that individuals informed of a breach 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.

(G) 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.

(h) 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 HIPAA Standards 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).

(i) 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(s) 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.

(j) 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 HIPAA Standards 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.

(k) 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 (g)(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 (k)(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, maintained, or received by Business Associate on behalf of Covered Entity. Business Associate shall also provide the information collected in accordance with section (g)(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.

(l) 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, and the HIPAA Standards.

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: http://www.ct.gov/seec/lib/seec/forms/contractor_reporting_/seec_form_10_final.pdf

CONNECTICUT STATE ELECTIONS ENFORCEMENT COMMISSION
Rev. 1/11
Page 1 of 2

# 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

15OECNFN01WLM

IN WITNESS WHEREOF, the parties have executed this Contract by their duly authorized representatives with full knowledge of and agreement with its terms and conditions.

The Contractor IS NOT a Business Associate under the Health Insurance Portability and Accountability Act of 1996 as amended.

CONTRACTOR - WELLMORE, INC.

GARY M. STECK, *Chief Executive Officer* — 12/10/15 Date

OFFICE OF EARLY CHILDHOOD

MYRA JONES-TAYLOR, *Commissioner* — 1/15/16 Date

CONNECTICUT ATTORNEY GENERAL "approved as to form"

Signature Robert W. Clark — Title Special Counsel — Date 1/08/16

OR

☑ This contract, prepared on a template previously reviewed and approved by the Connecticut Attorney General, is therefore exempt from individual review and approval pursuant to a Memorandum of Agreement between the Connecticut Office of Early Childhood and the Connecticut Attorney General on _____.