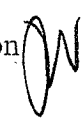


COUNCIL TRANSMITTAL



TO: Lyn Creswell, Chief Administrative Officer **DATE:** July 3, 2007

FROM: Janet Wolf, Director, Youth & Family Programs Division 

SUBJECT: Salt Lake County Interlocal Agreement

STAFF CONTACT: Kim Thomas, YouthCity Programs Manager

ACTION REQUIRED: Adoption of Resolution by the City Council

DOCUMENT TYPE: Resolution

BUDGET IMPACT: \$20,000 Grant Revenue

DISCUSSION:

Salt Lake County has awarded Salt Lake City YouthCity a \$20,000
Local Discretionary Social Services Block Grant.

These funds will be used to pay the seasonal employees hourly wages and FICA at the Ottinger Hall
YouthCity site.

Recommendations: That the City Council adopt the resolution authorizing the Mayor to sign the
Interlocal Cooperation Agreement between Salt Lake City and Salt Lake County and accept the
grant.

This award/grant requires no other public process other than Council adoption by Resolution and
Public Hearing pertaining to the budget opening.

RESOLUTION NO. _____ OF 2007

AUTHORIZING THE SALT LAKE CITY MAYOR TO SIGN THE
INTERLOCAL COOPERATION AGREEMENT BETWEEN
SALT LAKE CITY CORPORATION AND SALT LAKE COUNTY

WHEREAS, Title 11, Chapter 13 Utah Code Ann., as amended, allows public entities to enter into cooperative agreements to provide joint undertakings and services; and

WHEREAS, the attached Agreement has been prepared to accomplish said purposes;

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

1. It does hereby authorize and approve of Salt Lake City Corporation accepting the \$20,000 Salt Lake County Local Discretionary Social Services Block Grant funding to be expended for the purposes of:

Salary and benefits of the seasonal employees at Ottinger Hall YouthCity site.

2. Ross C. Anderson, Mayor of Salt Lake City, Utah, is hereby authorized to receive said award and execute any and all subsequent agreements between the City and other entities resulting from the said award on behalf of Salt Lake City Corporation, so long as such subsequent Agreements do not depart substantively from the Agreement approved herein.

Passed by the City Council of Salt Lake City, Utah, this day _____ day of _____, 2007.

Salt Lake City Council

By _____
Chairperson

ATTEST:

CHIEF CITY RECORDER

Approved as to Form
Salt Lake City Attorneys Office
By: Melanie Keif
Date: July 7, 2007

INTERLOCAL COOPERATION AGREEMENT

between

SALT LAKE COUNTY

and

SALT LAKE CITY

TO FUND YOUTHCITY AT OTTINGER HALL

THIS AGREEMENT is made and entered into this _____ day of _____ 2007, by and between SALT LAKE COUNTY, a body corporate and politic of the State of Utah, (the "COUNTY"), and SALT LAKE CITY, a Utah municipal corporation, (the "CITY") (collectively referred to as the "Parties").

RECITALS

WHEREAS, the CITY has renovated historic Ottinger Hall in Memory Grove to serve as a site for the YouthCity after school program serving youth from surrounding areas with a particular focus on youth from low income and minority backgrounds.

WHEREAS, the CITY requires additional funding of the YouthCity program and the COUNTY wishes to ensure that the public is provided these services pursuant to the COUNTY's general obligation to provide for the health, safety, and welfare of its citizens.

WHEREAS, the CITY applied for the FY 07 Salt Lake County Local Discretionary Social Services Block Grant funding in order to provide the YouthCity services.

WHEREAS, at a Public Hearing on April 17, 2006 a citizen panel recommended that the

Salt Lake County Mayor award the FY 07 Salt Lake County Local Discretionary Social Services Block Grant funds to the City.

WHEREAS, Utah Code Ann. § 11-13-202 provides that any two or more public agencies may enter into an agreement with one another for joint or cooperative actions.

WHEREAS, the County and the City are “public agencies” as contemplated in Utah Code Ann. § 11-13-101, *et seq.* - Interlocal Cooperative Act.

WHEREAS, it is beneficial for the CITY, the COUNTY, and their respective citizens that the Parties cooperate in providing after school program services and the COUNTY wishes to provide the additional funding necessary to fund the YouthCity program.

NOW, THEREFORE, in consideration of the mutual promises contained within this Agreement, the Parties mutually agree as follows:

1. The COUNTY shall provide to the CITY a total of twenty thousand dollars (\$ 20,000) for the YouthCity program as described in the attached Exhibit A. The CITY shall be responsible for administering and operating program services in compliance with the requirements of the Social Services Block Grant (SSBG) Program as described in the Utah Department of Human Services contract with Salt Lake County attached hereto as Exhibit D. The County shall also monitor the CITY’s compliance with the requirements of the Social Services Block Grant (SSBG) Program as described in the Utah Department of Human Services contract with Salt Lake County. The COUNTY shall be responsible for the funding described in Paragraph 2.

2. The COUNTY will reimburse the CITY on a cost for service basis as set forth in Exhibit B, attached hereto. In no case will SSBG funding represent more than 75% of actual cost of providing such services nor shall reimbursement exceed the CITY’S actual costs of providing such services. The CITY will maintain records necessary for justification and verification of program costs

including the timely submission of billing forms in the format attached as Exhibit C. The COUNTY agrees to pay the requested amounts in a timely manner, which amounts shall not exceed a total of twenty thousand dollars (\$ 20,000).

3. The period of performance of this Agreement shall commence June 1, 2007 and shall terminate on December 31, 2007, unless the Parties agree to extend the term in a written amendment to this agreement. In the event the date on which this agreement is fully signed is more recent than the above beginning date, this Agreement shall be considered to be retroactive and to have taken effect on the above beginning date. All program related costs which are incurred by the CITY after the effective date of this Agreement and which have been determined by the COUNTY to be appropriate and allowable costs shall be eligible for reimbursement and payment hereunder.

4. The CITY agrees to complete and submit periodic performance reports utilizing the report formats attached as Exhibit C. Quarterly reports must be received no later than twenty (20) calendar days after the end of each reporting period. The first performance report will cover the period from June 1 to September 30, 2007. The subsequent reporting period will end December 31, 2007.

5. The following provisions are also integral parts of this Agreement:

(a) Binding Agreement. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

(b) Captions. The headings used in this Agreement are inserted for reference purposes only and shall not be deemed to define, limit, extend, describe, or affect in any way the meaning, scope or interpretation of any of the terms or provisions of this Agreement or the intent hereof.

including the timely submission of billing forms in the format attached as Exhibit C. The COUNTY agrees to pay the requested amounts in a timely manner, which amounts shall not exceed a total of twenty thousand dollars (\$ 20,000).

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5. The following provisions are also integral parts of this Agreement:

(a) Binding Agreement. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

(b) Captions. The headings used in this Agreement are inserted for reference purposes only and shall not be deemed to define, limit, extend, describe, or affect in any way the meaning, scope or interpretation of any of the terms or provisions of this Agreement or the intent hereof.

(c) Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures upon any counterpart were upon the same instrument. All signed counterparts shall be deemed to be one original.

(d) Severability. The provisions of this Agreement are severable, and should any provision hereof be void, voidable, unenforceable or invalid, such void, voidable, unenforceable or invalid provision shall not affect the other provisions of this Agreement.

(e) Waiver of Breach. Any waiver by either party of any breach of any kind or character whatsoever by the other, whether such be direct or implied, shall not be construed as a continuing waiver of or consent to any subsequent breach of this Agreement.

(f) Cumulative Remedies. The rights and remedies of the parties hereto shall be construed cumulatively, and none of such rights and remedies shall be exclusive of, or in lieu or limitation of, any other right, remedy or priority allowed by law.

(g) Amendment. This Agreement may not be modified except by an instrument in writing signed by the parties hereto.

(h) Time of Essence. Time is the essence of this Agreement.

(i) Interpretation. This Agreement shall be interpreted, construed and enforced according to the substantive laws of the state of Utah and ordinances of Salt Lake County.

(j) Notice. Any notice or other communication required or permitted to be given hereunder shall be deemed to have been received (a) upon personal delivery or actual receipt thereof or (b) within three (3) days after such notice is deposited in the United States mail, postage prepaid and certified and addressed to the parties at their respective addresses.

(k) No Interlocal Entity. The parties agree that they do not by this Agreement create an interlocal entity.

(l) Joint Board. As required by Utah Code Ann. § 11-13-207, the parties agree that any cooperative undertaking under this Agreement shall be administered by a joint board consisting of the County's designee and the City's mayor or designee.

(m) Financing Joint Cooperative Undertaking and Establishing Budget. There shall be financing of cooperative undertaking and any budget shall be established or maintained as stated herein.

(n) Manner of Acquiring, Holding or Disposing of Property. In satisfaction of Section 11-13-207(2) of the Interlocal Act, the parties agree that the acquisition, holding, and disposition of real and personal property acquired pursuant to this agreement shall be governed by the provisions of applicable law.

(o) Exhibits and Recitals. The Recitals set forth above and all exhibits to this Agreement are incorporated herein to the same extent as if such items were set forth herein in their entirety within the body of this Agreement.

(p) Attorney Approval. This Agreement shall be submitted to the authorized attorneys for the County and the City for approval in accordance with Utah Code Ann. § 11-13-202.5.

(q) Counterparts. A duly executed original counterpart of this Agreement shall be filed with the keeper of records of each party pursuant to Section 11-13-209 of the Interlocal Act.

(r) Governmental Immunity. Both parties are governmental entities under the Governmental Immunity Act, Utah Code Ann. § 63-30d101, *et seq.*, therefore, consistent with the terms of the Act, the parties agree that each party is responsible and liable for any wrongful or negligent acts which it commits or which are committed by its agents, officials, or employees. Neither party waives any defenses or limits of liability otherwise available under the Governmental Immunity Act and all other applicable law, and both parties maintain all privileges, immunities, and

other rights granted by the Act and all other applicable law.

(s) Debarment. The CITY certifies that neither it nor its officer, elected officials or principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any governmental department or agency.

(t) Audit. The CITY shall have its program submit to an annual agency audit conducted in accordance with applicable federal, state and county law, rules, regulations, or policies, and general accounting procedures, and submit a copy to the COUNTY within 180 days of the CITY's fiscal year.

(u) Assignment. The CITY agrees it shall not subcontract, assign, or transfer any rights or duties under this Agreement to any other party or agency without the prior written consent of the COUNTY.


(v) Ethical Standards. The Parties hereto represent that they have not: (a) provided an illegal gift or payoff to any officer or employee, or former officer or employee, or to any relative or business entity of an officer or employee, or relative or business entity of a former officer or employee of the other Party hereto; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards set forth in State statute or Salt Lake County's Ethics, Gifts and Honoraria ordinance (Chapter 2.81, Salt Lake County Code of Ordinances, (2001) or of Salt Lake City's conflict of interest ordinance, (Chapter 2.44, Salt Lake City Code)); or (d) knowingly influenced, and hereby promise that they will not knowingly influence, any officer or employee or former officer or employee to breach any of the ethical standards set forth in State

IN WITNESS WHEREOF, the City, by resolution duly adopted by its council, a copy of which is attached hereto, caused this Agreement to be signed by its Mayor and attested by its Recorder; and the County, by resolution of its council, a copy of which is attached hereto, caused this Agreement to be signed by the Mayor, or his designee, his or her signature being duly notarized.

By PETER CORROON or Designee,
Salt Lake County Mayor

On this _____ day of _____, 20____, personally appeared before me _____, who, being duly sworn, did say that s/he is the _____ of Salt Lake County, Office of Mayor, and that the foregoing instrument was signed on behalf of Salt Lake County, by authority of law.

[SEAL]


Michael R. Gallegos, Director
Date: 6/27/07

Approved as to Form:
Salt Lake County Attorney's Office:
By: [Signature]
Date: 1-29-07

CITY

Salt Lake City Corporation

By _____

(Printed Name of Signer)

Title

STATE OF UTAH)

ss.

County of Salt Lake)

On the _____ day of _____, 200__ personally appeared before me
_____ being duly sworn, did say that she/he is the
_____ of _____ and that the within and foregoing
instrument was signed for and in behalf of such entity.

[SEAL]

NOTARY PUBLIC

Residing in Salt Lake County, Utah

Approved as to Form:

Salt Lake City Attorney's Office:

By: Melanie Huff

Date: July 7, 2007

EXHIBIT A
to
Salt Lake County Contract Number BJ 06107C
SALT LAKE CITY
YouthCity @ Ottinger Hall

STATEMENT OF WORK

SSBG Service Category: Education and Training

“Services provided to improve knowledge or daily living skills and to enhance cultural opportunities. Services may include instruction or training in, but are not limited to, such issues as consumer education, health education, community protection and safety education, literacy education, English as a second language, and General Educational Development (GED)...”

Purpose and Nature of Services:

YouthCity will expand its program into the recently remodeled Ottinger Hall with the goal of developing the minds and social competencies of young people by providing quality after school and summer enrichment programs with a particular focus on youth from low income and minority backgrounds. The new program will provide interest-based, structured classes to engage youth in enjoyable, enriching activities that help them to develop new skills and social competencies. The classes will engage youth in a supervised setting where they can participate in urban arts, filmmaking, gardening, HAMM radio operation training, hip hop dance, swimming, academic tutoring, and community service projects. To support the effectiveness of the structured class model YouthCity will limit its student teacher ratio to 12-14 students to one instructor. The small class size will provide participants with individual attention and create a cohesive social environment where youth can learn constructive problem solving skills and gain peer group bonding. Youth will register to participate in classes. Each class will run 1.5 hours and will be taught by qualified adults. Youth participants will demonstrate gains in empathy, pro-social attitudes, peer-group bonding, school attachment as well as improved school attendance.

The after school program plans to run weekdays from 3-6 pm with extended hours of noon to 6 pm on Fridays. Summer programming will run eight hours per day, Monday through Thursday. YouthCity will also provide van transportation to and from the Center to ensure safety. The program will implement a sliding-fee scale based on family income levels as well as offer scholarships so no child is excluded.

SSBG funds are intended to support the development of this new program by assisting in the funding of staff and related supplies during the summer and fall 2007 sessions.

Location: Ottinger Hall is located in Memory Grove in Salt Lake City, Utah.

Target Population: Young from low income and minority backgrounds, ages 9-14, in the Capitol Hill and Avenues communities of Salt Lake City. The majority of youth will be students attending Ensign Elementary, Jackson Elementary, Washington Elementary and Bryant Middle School.

LOGIC MODEL
Salt Lake City Corporation/Youth City
Attachment to Work Statement for BJ 06107C

YouthCity @ Ottinger Hall Mission Statement: Develop the minds and social competencies of young people (ages 9 -14) by providing quality after-school and summer enrichment programs with a particular focus on youth from low-income and minority backgrounds living in the Capitol Hill and Avenues communities of Salt Lake County.

INPUTS	ACTIVITY	OUTPUT (program oriented)	OUTCOME (client oriented)	INDICATOR
SSBG contract funds	Hire one .5 program assistant	1. Provide four 8 to 10 week sessions of after-school activities and four 8 hour days (Mon-Thurs.) of summer activities to 70 youth (unduplicated count) at Ottinger Hall.	1a. 70 youth participate in activity classes (unduplicated count).	1a. Track enrollment census from YouthCity registration forms.
1 FTE Site Coordinator	Hire two .5 program facilitators		1b. At least 50 (70%) out of 70 youth served will report high mean levels for contextual caring, empathetic efficacy, after-school belonging, and belief that they were encouraged to work hard and develop skills at YouthCity.	1b. Youth surveys conducted for YouthCity's annual program evaluation.
YouthCity van	Develop activity schedule for after-school and summer classes at Ottinger Hall.			
Fiscal and administrative staff help from Salt Lake City Corporation	Contract with partner agencies to provide instructors.			
Facilities at Ottinger Hall	Advertise program in schools, local parent magazines and with media coverage.			
Volunteers and program support from Utah Heritage Foundation and Salt Lake Rotary Club	Implement out-of-school time activity classes July 1, 2006 through June 30, 2007.		1c. Five (5%) out of 70 youth served will report low mean levels for feeling they behaved poorly (antisocially) while attending YouthCity.	1c. Youth surveys conducted for YouthCity's annual program evaluation.
Funding from U.S. Department of Education				
Funding from Salt Lake City Corporation	Secure evaluation services from University of Utah Department of Exercise and Sports Science	2. Ottinger Hall program facilitators provide 30 minutes of academic enrichment (i.e., home work help) per day to all participants.	2a. At least 50 (70%) out of 70 youth served will report high mean levels for increased school attachment.	2a. Youth surveys conducted for Youth City's annual program evaluation.
Partnership with Salt Lake City School District			2b. At least 50 (70%) out of 70 youth served will increase school attendance from 160 days to 170 days.	2b. Tracking students' attendance through data provide by Salt Lake City School District.

EXHIBIT B
To
Salt Lake County Contract Number BJ 06107C
SALT LAKE CITY
YouthCity @ Ottinger Hall

PROJECT BUDGET
(June 1, 2007 to December 31, 2007)

Line items	Source: SSBG	Source: Non-federal cash match	Source: Other federal funds	Total Program Budget
<u>Salaries/Wages</u> Program assistant 40 hr/wk during summer; 20 hr/wk during fall Program facilitator 40 hr/wk during summer; 20 hr/wk during fall Program facilitator 40 hr/wk during summer	16,560	40,800	20,000	77,360
Employee Benefits	1,667	17,308		18,975
Contracted Services		19,200		19,200
Program Supplies	1,773	3,108		4,881
TOTALS:	\$ 20,000	\$ 79,416	\$ 20,000	\$ 120,416

SSBG funding in the amount of \$20,000 represents 17 % of the program's total budget of \$ 120,416. The match requirement for this contract is one-third of SSBG funding or \$ 6,667. This must be a non-federal cash match.

Reimbursement Method: Cost of Service contract with SSBG funding representing no more than 75% of actual cost. Billing needs to report expenditures of total program budget as reflected in this attachment as well as SSBG costs. *Unless otherwise notified, back-up documentation of billed SSBG costs needs to be submitted with invoices.*

Program is not required to complete SSBG eligibility forms on clients served by SSBG funds. Instead, program will provide such services in accordance with its own eligibility and fee schedule criteria.

All changes in the Total SSBG budget over 10% require submittal of a formal budget change request. CRD will then determine if a contract modification is necessary.

The Federal CFDA number is 93.667.

EXHIBIT BI
To
Salt Lake County Contract Number BJ 06107C
SALT LAKE CITY
YouthCity @ Ottinger Hall

ELIGIBILITY AND FEE SCHEDULE INFORMATION

YouthCity fees:
Full fee: \$100 per session
Reduced fee: \$ 50 per session
Fee for students who receive free school lunch: \$ 10
Fee for scholarship youth: \$5

**Salt Lake City to insert information here with further details on how fees will be charged,
and the availability of scholarships.**

EXHIBIT C
Salt Lake County Contract Number BJ 06107C

REPORTING AND BILLING FORMS

- **SSBG quarterly narrative progress report form**
- **SSBG quarterly statistical report form**
- **SSBG Billing Form (submit at least quarterly with documentation of expenses requested for reimbursement from SSBG funding)**
- **Certificate of Match Form (submit at end of contract)**

SSBG QUARTERLY NARRATIVE REPORT

Agency: Salt Lake City SSBG program: Youth City @ Ottinger Hall
Contract #: BJ 06107C

Report Time Period: Beginning date _____ TO Ending date _____

Name/Title of person preparing report: _____ Phone # _____

- I. Describe the activities and accomplishments of the program during this time period. Include the role of SSBG funding. Where applicable, identify how the program has interacted with or impacted on County government programs or policy priorities.
- II. Describe any changes, variations, or unanticipated occurrences during the quarter that have impacted the program's implementation.
- III. Assess the current status of contract objectives or program outputs. Report on the number of unduplicated people served by age category. (Attach the SSBG data reporting form)
- IV. Describe any evaluation or assessment activities conducted to determine client outcomes.
- V. Briefly outline the program's plans for the next time period. Include any problems or challenges that need to be addressed. Identify any proposed changes that might require a contract adjustment.
- VI. How can County improve its services or assist program in the coming quarter?

SALT LAKE COUNTY SOCIAL SERVICES BLOCK GRANT STATISTICAL PROGRESS REPORT

SSBG Service Categories Code: Education and Training

Total contract prog. budget: \$120,416

SSBG amount: **\$20,000**

"Community Services" activities include: environmental activities and working with non profits who serve the low income community

% Youth reporting high mean levels for caring, empathy, belonging, and positive social relationships

% of youth served reporting high mean levels for increased school attachment (50 youth)

SL Found/YouthCity @ Ottinger
UNDULICATED CLIENTS
FY 06-07

SOCIAL SERVICES BLOCK GRANT (SSBG) COST REIMBURSEMENT REQUEST

SALT LAKE COUNTY DIVISION OF COMMUNITY RESOURCES AND DEVELOPMENT

AGENCY SL CITY CORP-YouthCity Ottinger Hall CONTRACT NO. BJ 06107

MAILING ADDRESS: _____ BILLING CONTACT PERSON: _____

PHONE NUMBER: _____ CONTRACT PERIOD: June 1, 2007 to December 31, 2007

CURRENT BILLING PERIOD: From: _____ To: _____

SECTION A: PROGRAM EXPENDITURES (ALL REVENUE SOURCES)

LINE ITEM	(A) PROGRAM BUDGET in contract	(B) EXPENDED THIS PERIOD	(C) EXPENDED PRIOR PERIOD	(D) EXPENDED TO DATE (B+C)	BALANCE REMAINING (A-D)
SALARIES	77,360			0	77,360
BENEFITS	18,975			0	18,975
CONTRACTED SERV	19,200			0	19,200
PROGRAM SUPPLIES	4,881			0	4,881
(1) PROGRAM BUDGET TOTAL	\$120,416	0	0	0	120,416

SECTION B: SSBG REIMBURSEMENT REQUEST & SUMMARY

	(A) SSBG AWARD	(B) Current Billing	(C) Previous Billings	(B+C=D) TOTAL	(A-D) REMAINDER
(2) SSBG FUNDING : (as listed in contract)	\$20,000			\$0.00	\$20,000.00
(3) CASH SSBG MATCH : (min. 33% of SSBG award)	\$79,416			\$0.00	\$79,416.00
(4) OTHER FUNDING (balance) : Balance = (1)-(2)-(3)	\$20,000			\$0.00	\$20,000.00

I CERTIFY TO THE BEST OF MY KNOWLEDGE THAT THIS REPORT IS CORRECT AND PREPARED ON THE
ACCRUAL BASIS FOR THE PERIOD INDICATED

NAME, TITLE, AND DATE: _____

BILLING NOTES & INSTRUCTIONS (staff use):

Maximum reimbursement per quarter: Not applicable

Upfront Payment: none

Required Documentation: as requested

Renewal Instructions: None see note below

Other: 7 month contract: will need to carry over approx \$16,000 from FY 07 to FY 08

Other: BE AWARE THAT BJ 06107 (Ottinger Hall) & BJ 07104 (central city) are two separate contracts

TRACKING OF BILLING:

Received by CRD	Program approval	Fiscal Approval	Other	Other
DATE	DATE	DATE		

**SALT LAKE COUNTY
SOCIAL SERVICES BLOCK GRANT (SSBG)
CERTIFICATION OF EXPENDITURES FOR MATCHING FUNDS**

SALT LAKE CITY CORPORATION

We certify the cash expenditures as matching funds in the amount of \$_____ have been spent in accordance with "Certification of Match Funds@ under contract BJ 06107 during the period of June 1, 2007 to December 31, 2007.

- b. That these funds represent program expenditures which are **NOT LESS THAN** one third (1/3) of the \$ 20,000 of SSBG funds received (\$ 6,667).
- c. That the amount has **NOT** been **USED** in a matching formula **ELSEWHERE** to attract funds in any other program.
- d. That funds used at matching monies qualify to be used as such

This means: matching funds were spent on SSBG eligible clients
 matching funds were spent on SSBG eligible costs
 matching funds come from non-federal sources

- e. Source(s) of matching funds: (Please be specific)

Agency Certifying Match: _____

By: _____

Title: _____

This form is to be completed and submitted to Salt Lake County Community Resources and Development at 2001 South State, #S2100 Salt Lake City Utah 84190-2710 within fifteen (15) working days following the end of the contract period.

EXHIBIT D
Salt Lake County Contract Number BJ06107C

State Department of Human Services
SSBG Revenue Contract
with
Salt Lake County



Revision Date: June 2007

Commodity Code: 95285000000
Vendor Number: 42785F C

LISA-MICHELE CHURCH
Executive Director
Utah Department of Human Services

JON M. HUNTSMAN, JR.
Governor

JENNIFER C. EVANS
Director
Office of Fiscal Operations

C. # BJ 07109

Log No. 20574

Contract No. _____

DHS CONTRACT FOR SOCIAL SERVICES BLOCK GRANT FUNDS

CONTRACTING PARTIES: This Contract is between the Utah Department of Human Services ("DHS"), 120 North 200 West, Salt Lake City, Utah 84103, (which may be referred to in this Contract as "DHS") (The term "DHS" as used in this contract means the State of Utah, the Department of Human Services and their officers and employees.),

AND

Name: Salt Lake County Corporation
Address: 2001 South State Street
Salt Lake City, UT 84190

A Utah governmental entity (referred to in this Contract as the "Grantee")

QUESTIONS ABOUT THIS CONTRACT: The Grantee may direct any inquiries about this Contract to DHS' Representative:

Title: Financial Analyst III Name: Mary Wallace
Telephone: 801-538-4131 Email: Mwallace@utah.gov
Address: 120 North 200 West, Rm. 213, Salt Lake City, UT 84103

TABLE OF PROVISIONS IN THIS CONTRACT

PART I:	GENERAL PROVISIONS
PART II:	SCOPE OF WORK AND SPECIAL CONDITIONS
PART III:	PERFORMANCE MEASURES AND CLIENT OUTCOMES
PART IV:	CONTRACT COSTS, BILLING AND PAYMENT INFORMATION
PART V:	COST ACCOUNTING PRINCIPLES AND FINANCIAL REPORTS
PART VI:	BUDGETING PRINCIPLES AND FORMS
PART VII:	SUMMARY OF SOME COMMONLY APPLICABLE LAWS AND POLICIES
PART VIII:	DISCLOSURE OF LOBBYING ACTIVITIES
PART IX:	JURISDICTION, COPYRIGHT AND OTHER GENERAL PROVISIONS

RECITALS

1. DHS receives certain federal and state funds which it then distributes to local governments for human services programs in the areas served by the local government agencies; and
2. The Grantee is local governmental entity that is authorized to receive public funds for the human services programs in its area; and
3. DHS is a State agency authorized to pass through Social Services Block Grant funds to the Grantee; and
4. DHS works cooperatively with the Grantee to ensure that these public funds are used appropriately; and
5. The Grantee is statutorily accountable to DHS for using public funds obtained through this Contract appropriately in its human services programs, and for complying with all applicable state and federal laws, policies, audit requirements, contract requirements and DHS directives; and
6. DHS is statutorily authorized to monitor the Grantee's use and management of these public funds; to oversee its governance of the human services programs in the Grantee's area; and to review the Grantee's compliance with laws, policies, audit requirements, contract requirements and DHS directives; and
7. DHS may refuse to contract with and may take legal action against the Grantee if the Grantee breaches its contract with DHS or if it fails to use or expend public funds in accordance with applicable laws, policies and DHS directives.

PART I: GENERAL PROVISIONS

SECTION A: CONTRACT DESCRIPTION AND SPECIFICATIONS

1. **PURPOSE AND SCOPE OF CONTRACT:** To pass through to the Grantee, Social Services Block Grant ("SSBG") discretionary funds for the purpose of the purchasing and providing services and activities in Salt Lake County that comply with the U.S. Department of Health and Human Services ("HHS") Block Grant Regulation 45 CFR Part 96.

Part II ("Scope of Work and Special Conditions") and Part III ("Performance Measures and Client Outcomes") of this Contract describe in more detail the services and activities the Grantee shall provide under this Contract. The Grantee shall use the funds paid by DHS under this Contract only for the purposes specified in this "Purpose and Scope" section and in Parts II and III. The Grantee represents that it has the financial, managerial and institutional capacity to fully comply with the requirements of this Contract.

2. **CONTRACT PERIOD:** This Contract is effective as of **01 July, 2007** and terminates on **30 June, 2008**, unless terminated sooner in accordance with the terms and conditions of this Contract.

3. **TYPE OF GRANTEE:**

- a. **Grantee is a Subrecipient.** The Grantee is a governmental entity and is a "Subrecipient." The term "subrecipient" refers to a non-federal governmental entity or a non-profit or for-profit organization that develops and operates its own program of services for eligible clients, and that receives federal and/or state funds from DHS or another entity that serves as a "recipient" and "pass-through entity" for such funding. If the Grantee operates its own program of services for eligible clients, the Grantee shall comply with the financial record-keeping and reporting requirements that apply to federally-funded subrecipients.
- b. **Grantee's Subcontractors.** The Grantee may subcontract this Contract only as provided in Part I, Section E of this Contract. For ease of reference, the contract provisions that apply to subcontractors, but not to the Grantee, are shown in the Arial typeface (i.e., the typeface used in this sentence).

4. **TYPE OF CONTRACT:**

- a. **This Contract is a Pass-Through Contract.** This Contract requires the Grantee to provide the services specified in Part II ("Scope of Work and Special Conditions") and Part III ("Performance Measures and Client Outcomes") of this Contract. DHS' payment of pass-through funding to the Grantee shall be based on supporting documentation from the Grantee, showing that the service costs were necessary, reasonable and actually incurred by the Grantee in providing the services required by this Contract, but the payments to the Grantee shall not exceed the amount specified in Paragraph (5) below ("Compensation for Grantee").

- b. **Billing Procedures and Cost Principles.** See Part IV of this Contract ("Contract Costs, Billing and Payment Information") for additional provisions about billings, and Part V ("Cost Accounting Principles and Financial Reports") for applicable cost principles.
- c. **DHS' Discretion About Client Placements.** DHS gives the Grantee no express or implied guarantee or representation that DHS will place any clients with the Grantee or maintain any client placements with the Grantee. Except as provided in subsection (4)(d) below regarding services to DHS custody children, the parties anticipate that the Grantee will accept and place its own clients.
- d. **Services for Clients Placed in DHS Custody.** If a child has multi-disciplinary issues and if the child is eligible for services from more than one division within DHS, the courts sometimes place the legal custody of the child with DHS, rather than placing the child with any particular division. DHS may refer a DHS-custody child to the Grantee, and upon such referral, the Grantee shall provide services to the child under this Contract. This provision does not mean, however, that the Grantee or DHS is required to take custody of the child.

5. **COMPENSATION FOR THE GRANTEE:**

- a. **Fixed Amount of Compensation:** DHS shall pay the Grantee not more than \$385,575.81 for providing services that comply with HHS Block Grant Regulation 45 CFR Part 96 and that are supported by adequate documentation of actual costs. See Part IV ("Contract Cost, Billing and Payment Information") for additional budgeting provisions. The Grantee shall bill DHS only for actual costs allowable under federal and DHS cost principles, and the Grantee shall maintain records that adequately support such costs. SSBG funds may not be used for capital expenditures and any claim for capital expenditures will not be reimbursed by DHS.
- b. **Allowable Fund Balances for Local Authorities.** DHS recognizes that if the Grantee is a statutorily-created local authority (i.e., a local mental health authority or local substance abuse authority), the Grantee may need to maintain a fund balance (i.e., a reserve) in order to comply with Healthcare Financing Administration/Medicaid contracts (which require a ninety-day fund balance), to maintain and expand service capacities, and to pay for capital improvements as needed. As a sound business practice, maintenance of such fund balances is particularly essential for mental health and substance abuse providers due to uneven flow of revenues and inconsistent expenditure requirements while being required to be at risk by major contractors. Therefore, a Grantee that is a local mental health authority or a local substance abuse authority may maintain fund balances under this Contract, and the Grantee's subcontractors may do so also.
- c. **Local Substance Abuse and Mental Health Authority Pass-Through Contracts.** If the Grantee is a local mental health authority or a local substance abuse authority, all funds received from third-party resources shall be retained by the Grantee and used for alcohol/drug services in the case of substance abuse authorities, and mental health services in the case of mental health authorities. Third party resources

recovered by the local authority shall not be a reason for DHS to reduce federal and/or state funding.

6. **FUNDING SOURCES AND FUNDING REDUCTIONS:**

- a. **Funding Sources.** The funds for this Contract are provided as follows:

CFDA OR STATE COMPLIANCE #	FEDERAL OR STATE (ORIGINAL) FUNDING SOURCE	ESTIMATED PERCENTAGE OR AMOUNT
93.667	Social Services Block Grant	100%
<i>TOTAL</i>		100%

b. **Reduction of Funds in Contracts with a Fixed Amount Type of Contract**

Payment: If an order or action by the Legislature or the Governor, or a federal or state law reduces the amount of funding to DHS, DHS may terminate this Contract or may proportionately reduce the amounts to be paid by DHS to the Grantee. In addition, if the Grantee defaults in any manner in the performance of any obligation under this Contract, or if DHS determines that the Grantee is significantly underutilizing funds, DHS may, at its option, either adjust the amount of payment or withhold payment until satisfactory resolution of the default or underutilization of funds. DHS shall give the Grantee thirty (30) days notice of any such reduction or termination. Notwithstanding the foregoing, DHS shall reimburse the Grantee in accordance with the original provisions of this Contract for all services provided before the effective date of the reduction or termination.

This is a "Fixed Amount" contract, and if DHS reduces the payments under this Contract, the Grantee may make a proportionate reduction in the amount of services performed or in the number of clients served under this Contract. Before implementing any such reductions in services or client numbers, however, the Grantee shall notify DHS in writing no less than thirty (30) working days after receiving DHS' notice of reduction or termination.

7. **COMPLIANCE WITH PROCUREMENT REQUIREMENTS:** The Grantee is a governmental entity, and this Contract is therefore exempt from the bidding process.

8. **DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:** This Contract incorporates the following documents by reference:

- a. All documents specified in this Contract and its attachments including, but not limited to, all documentation required by HHS Block Grant Regulation 45 CFR Part 96; and
- b. All statutes, regulations, or governmental policies that apply to the Grantee or to the services performed under this Contract, including any applicable laws relating to fair labor standards, the safety of the Grantee's employees and others, zoning, business

permits, taxes, licenses, and incorporation or partnership, and any laws mentioned in Part I, Section C of this Contract ("Grantee's Compliance with Applicable Laws") or in the attachments to this Contract. The Grantee acknowledges that it is responsible for familiarizing itself with these laws and complying with them.

SECTION B: GRANTEE'S LEGAL STATUS AND INDEMNIFICATION RESPONSIBILITIES

1. **GRANTEE IS AN INDEPENDENT CONTRACTOR:** The Grantee is an independent contractor, and as such, shall have no authorization, express or implied, to bind DHS or any state agency to any agreements, settlements, or liability. However, nothing in this Contract shall be construed to limit the Grantee's authority to bind itself to agreements, settlements or liability, as long as such agreements, settlements or liability affect only itself and not DHS. The Grantee is not authorized to act as an agent for DHS, except as expressly provided in this Contract. Persons employed by DHS and acting under direction of DHS shall not be deemed to be employees or agents of the Grantee. Likewise, persons employed by the Grantee and acting under the direction of the Grantee shall not be deemed to be employees or agents of DHS except as expressly provided in this contract. As an independent contractor, the Grantee is responsible for its own operations and for providing the office space, supplies, equipment, tools, and other supports necessary to provide the services covered by this contract unless specifically stated otherwise in the contract Scope of Work. The compensation paid to the Grantee under this Contract shall be Grantee's total compensation from DHS for the services provided under this Contract and the Grantee is responsible for the payment of any and all tax liabilities incurred as a result of the compensation received.
2. **PROTECTION AGAINST LIABILITY; GRANTEE'S SUBCONTRACTORS MUST PROVIDE INSURANCE AND INDEMNIFICATION:**
 - a. **Grantee and the Utah Governmental Immunity Act:** Consistent with and subject to the terms of the Governmental Immunity Act (Title 63, Chapter 30d of the Utah Code), the Grantee and DHS are each responsible and liable for any wrongful or negligent acts which that party itself commits or which are committed by its agents, officials, or employees. Neither party waives any defenses otherwise available under the Governmental Immunity Act. If the Grantee has a subcontractor, that subcontractor shall comply with the insurance and indemnification requirements of this Contract, unless the subcontractor is also a Utah governmental entity, in which case this paragraph (a) shall apply.
 - b. **Workers' Compensation:** The Grantee and its subcontractors shall comply with the Utah Workers' Compensation Act (Title 34A, Chapter 2 of the Utah Code) which requires employers to provide workers' compensation coverage for their employees.
 - c. **Required Insurance for Non-Governmental Subcontractors.** A non-governmental Subcontractor shall maintain adequate protection against liability and shall comply with the insurance and indemnification provisions set forth in this Contract. See definition of "subcontractor" in Part I, Section E, Paragraph 1 of this

Contract. Specifically, unless DHS' Deputy Director for Support Services gives prior written consent to a different arrangement, the Grantee shall require its non-governmental Subcontractors maintain commercial insurance or self-insurance for the dollar amounts and types of coverage specified in this Contract. Any commercial insurance shall be obtained from insurance companies authorized to do business in the State of Utah and rated "A-" or better with a financial size category of Class VII or larger, according to the ratings and financial size categories published by A.M. Best Company at the time this Contract is executed.

Commercial insurance may be obtained from an insurance company that does not meet the above stated A. M. Best Company rating and/or class size, if the Subcontractor provides documentation verifying the insurance company providing the Subcontractor's insurance is **reinsured** by another affiliated insurance company that **does meet** the required rating and class size requirements.

Each of the Subcontractor's insurance policies shall include an endorsement that names the State of Utah, DHS, and their officers and employees as additional insureds, and the policy shall provide the State of Utah, DHS, and their officers and employees with primary coverage (not contributing coverage) for any liability arising as a result of the Subcontractor's acts or omissions in connection with this Contract. The Subcontractor is not required, however, to obtain an "additional insured" endorsement for any professional liability insurance policy or Workers' Compensation insurance policy required by this Contract. See subsections (2)(e)(1)(c), (2)(e)(3) and (2)(b) of this provision ("Protection Against Liability; Grantee's Subcontractors Must Provide Insurance and Indemnification").

- d. **Deductibles and Similar Costs.** The Subcontractor shall be responsible for paying any deductibles, self-insured retentions, self-insurance costs, and similar items. The deductible for the insurance policies required by this Contract may not exceed \$10,000.00, unless the Subcontractor obtains prior written approval of the deductibles, self-insured retentions, self-insurance costs, *and similar items* (and the corresponding policy) from the DHS Deputy Director for Support Services or the Deputy Director's designee who may withhold approval for any reason whatsoever.

e. **Types of Liability Protection the Subcontractor Must Provide:**

- (1) **Private Subcontractor—Commercial Insurance Required:** If the Subcontractor is not a governmental entity of the State of Utah, the Grantee shall require the Subcontractor maintains the following policies of liability insurance at its sole expense during the term of this Contract, unless the Subcontractor has already satisfied the requirements of the "self-insurance" provision (subsection (2)(c)(2)) below:
- (a) **General Liability Insurance:** The Subcontractor shall maintain policies of general liability insurance that at a minimum shall cover the following types of liability: bodily injury or death, personal injury, property damage, broad form property damage, and liability for the property of others in the care, custody and control of the Subcontractor. The policy

shall provide for a combined single limit or the equivalent of not less than \$1,000,000 for each occurrence and \$2,000,000 aggregate. If the Subcontractor is providing services at more than one site, the general liability insurance must cover each of those sites. If the general liability insurance coverage obtained by the Subcontractor is written on a "claims-made" basis, the certificate of insurance shall so indicate, and the policy shall contain an extended reporting period provision or similar "tail" provision such that the policy covers claims reported up to five (5) years beyond the date that this Contract is terminated.

- (b) *Automobile Insurance:* If the Grantee's services involve transporting any clients or goods for DHS, the Grantee shall maintain a policy of automobile liability insurance covering property damage, personal injury protection, and liability for the vehicles used by the Grantee (including owned, hired and non-owned vehicles). The policy shall provide for a combined single limit, or the equivalent, of not less than \$1,000,000. If the Grantee subcontracts with another entity or individual for transportation services, or services that include transportation services, the Grantee may satisfy this insurance requirement by submitting proof that the subcontractor has complied with the requirements of the "Insurance and Indemnification" section of this Contract. If the Grantee provides individual residential care services by contracting with individual residential care homes, not only must the Grantee maintain a policy of automobile liability insurance as indicated above, but each of the Grantee's individual residential care homes must also maintain a policy of automobile liability insurance. The policy of automobile liability insurance required of individual residential care homes must cover property damage, personal injury protection and liability with a combined single limit or the equivalent of not less than \$100,000 per person and \$300,000 for each accident/occurrence occurring during the course of their duties as an individual residential care home. **As used in this provision, the term "individual residential care" refers to twenty-four hour family-based care for one or more clients in foster/proctor care, a host home, or a professional parent setting.**
- (c) *Professional Liability Insurance:* If the Subcontractor employs doctors, dentists, social workers, mental health therapists or other professionals to services under this Contract, the Subcontractor shall maintain a policy of professional liability insurance with a limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. This professional liability insurance shall cover damages caused by errors, omissions or negligence related to the professional services provided under this Contract.
- (2) **Private Subcontractor—No Commercial Insurance Required, But Self-Insurance, Indemnification and Prior DHS Approval Required:** If the Subcontractor claims that it is self-insured, the Subcontractor shall provide DHS with adequate evidence that the Subcontractor is financially solvent and has established financial arrangements (such as a written comprehensive self-

insurance program, performance bonds or fidelity bonds) that will provide DHS with liability protection at least as adequate and extensive as the insurance otherwise required under this Contract for non-governmental entities. Specifically, the Subcontractor must show that its ability to process and pay claims adequately, fairly and in a timely manner is comparable to a commercial insurer that provides general-liability insurance, automobile insurance and professional liability insurance. Before executing a contract with the Grantee, the Subcontractor shall obtain from the DHS Deputy Director for Support Services or the Deputy Director's designee a written statement indicating that DHS has determined, based on the Subcontractor's financial evidence and representations, that the Subcontractor's self-insurance arrangements and indemnification agreements are sufficient to satisfy the requirements of this Contract, and the Subcontractor is therefore not required to obtain additional commercial liability insurance naming DHS as an insured party. If it sees fit, DHS may include in this statement any additional conditions designed to ensure that the Subcontractor's self-insurance arrangements are comparable to the insurance required of other non-governmental Subcontractors. A copy of the Deputy Director's or the designee's statement is attached to this Contract, and is a material provision of this Contract. Nothing in this provision shall be construed to require DHS to consent to any self-insurance arrangements, and DHS may withhold its approval for any reason whatsoever.

- (3) **Doctors, Dentists, Mental Health Therapists and Other Professionals:** If the Subcontractor is a doctor, dentist, social worker, mental health therapist or other professional who provides services directly to clients, the Subcontractor shall obtain from a commercial insurer and maintain at its sole expense a policy of general liability insurance and a policy of professional liability insurance ("malpractice insurance") during the term of this Contract. The policy shall provide for a limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

f. **Indemnification.** Regardless of the type of insurance required by this section, the Grantee (and where applicable, the Subcontractor) shall provide the following indemnification:

- (1) **Indemnification by the Grantee and Governmental Subcontractors.** If the Grantee's Subcontractor is a governmental entity of the State of Utah, there is no indemnification and the Grantee, Subcontractor and DHS shall each be responsible for their own actions and defense of any claims or suits. This Contract shall not be construed with respect to third parties as a waiver of any governmental immunity to which a party to this Contract is otherwise entitled. If the Subcontractor is not a governmental entity of the State of Utah, this paragraph shall not apply, and the Indemnification by Non-Governmental Subcontractor paragraph below shall apply.
- (2) **Indemnification by Non-Governmental Subcontractor:** If the Subcontractor is not a governmental entity of the State of Utah, the Grantee

shall ensure its Subcontractor agrees to and shall defend, hold harmless and indemnify the State of Utah, DHS, and their officers and employees from and against any loss, damages, injury, liability, suits, claims and proceedings arising out of the performance of this Contract, the Grantee's Subcontract or which are caused in whole or in part by the Subcontractor's acts, omissions, failure to act, or negligence of the Subcontractor's officers agents, volunteers, or employees, except where the claim arises out of the sole negligence of DHS.

- (3) **Definition of the Term "Claim":** As used in these "Indemnification" provisions, the term "claim" includes any and all claims, losses, damages, liabilities, judgments, costs, expenses, attorneys' fees and causes of action of every kind or character (including personal injury, death, and damages to property or business interests) arising because of, out of, or in any way connected with the services covered by this Contract or with a party's failure to comply with the provisions of this Contract.
- (4) **Defense of Suits Brought Upon Claims - Non-Governmental Subcontractors:** If the Grantee uses non-governmental Subcontractors it shall require that the non-governmental Subcontractor contracts to defend all suits brought upon a claim and pay all incidental costs and expenses including attorney's fees consistent with the requirements expressed in Subsection 2.f. for non-governmental Grantees of DHS. DHS shall be a named third-party beneficiary of such contracts. The contract will include all terms of this paragraph. However, DHS shall have the option to participate in the defense of any such suit in which DHS perceives that its interests are not being protected by the Grantee or the Subcontractor or where the Grantee or Subcontractor believes, asserts, or claims that the claim arises out of the sole negligence of DHS. In the latter situation, the Grantee and/or Subcontractor shall notify DHS within 90 days of receiving notice of the claim against it that the Grantee or Subcontractor believes, asserts or claims that the claim arises out of the sole negligence of DHS. In the event the Grantee or Subcontractor fails to notify DHS within this timeframe, the Subcontractor shall defend and indemnify DHS even if the claim arises out of the sole negligence of DHS. The participation in the defense of a claim by DHS does not relieve the Grantee and the Subcontractor of any obligation under this Contract. However, if DHS elects to retain independent counsel, DHS shall pay the attorney's fees and costs associated with such counsel except where DHS retains independent counsel due to a claim by the Grantee and/or Subcontractor that the claim arises out of the sole negligence of DHS. In such a situation, if a finding is later made that the claim did not arise out of the sole negligence of DHS, the Grantee and/or Subcontractor shall reimburse DHS for all costs including attorney's fees incurred by DHS.
- (5) **No Subrogation or Contribution:** The Grantee and its Subcontractors understand that they have no right of subrogation or contribution from the State or DHS for any judgment rendered against the Grantee or the Subcontractor.

- g. **Certificate of Insurance, "Additional Insured" Endorsement, and Evidence of Continued Coverage.** Before signing a contract with a non-governmental Subcontractor and before signing this Contract, the Grantee shall ensure that a non-governmental Subcontractor obtains from its insurer(s) and shall provide to DHS certificates of insurance and "additional insured" endorsements that indicate that the required coverage is in effect and that the insurer shall give DHS thirty (30) days notice of any modification, cancellation or non-renewal of the policy. On an annual basis a non-governmental Subcontractor shall provide the Grantee and DHS with evidence that the Subcontractor has the insurance coverage required by this Contract. Governmental entities are not required to provide certificates of insurance, "additional insured" endorsements or evidence of continued coverage.

3. ✓ **EMERGENCY MANAGEMENT AND BUSINESS CONTINUITY PLAN:** The Grantee shall use qualified personnel to perform all services in conformity with the requirements of this Contract and generally recognized standards. **The Grantee's performance shall not be excused by force majeure.** The Grantee represents that it has identified the critical functions or processes of its business operations essential for providing the services required in this Contract. The Grantee also represents that it has developed an emergency management and business continuity plan ("plan") that will allow the Grantee to continue to operate those critical functions or processes during or following short-term or long-term (greater than six weeks) emergencies, periods of declared pandemic, or other disruptions of normal business. The Grantee further represents that its plan addresses at least the following areas as they pertain to the services Grantee is providing:

1. Evacuation procedures;
2. Temporary or alternate living arrangements, including arrangements for isolation or quarantine;
3. Maintenance, inspection, and replenishment of vital supplies, including food, water, clothing, first aid supplies, and other medical necessities, including client medications, and the supplies necessary for infection control or protection from hazardous materials, etc.;
4. Communications (with Grantee staff, appropriate government agencies, and clients' families);
5. Transportation;
6. Recovery and maintenance of client records; and
8. Policies and procedures that: a) address both leave for, and the recall of, Grantee's employees unable to work for extended periods due to illness during periods of declared pandemic; and b) ensure the timely discharge of the Grantee's financial obligations, including payroll.

In addition, the Grantee represents that it provides at least annual training for its staff on its plan and it acknowledges that DHS may rely upon this and the other representations of the Grantee in this paragraph.

The Grantee shall evaluate its plan at least annually, and shall modify it as appropriate. Any modifications to the Grantee's plan shall be reported to DHS within 15 days of the time the modifications are made. At that time, the Grantee shall also provide DHS with a copy of the plan incorporating the identified modifications. Failure to maintain an adequate plan pursuant to this part shall constitute grounds for corrective action and/or termination of this Contract. The Grantee shall provide DHS with a copy of its current plan upon request.

SECTION C: GRANTEE'S COMPLIANCE WITH APPLICABLE LAWS

1. **COMPLIANCE WITH APPLICABLE LAWS.** The Grantee shall comply with all Applicable Laws. For purposes of convenience, the term "Applicable Laws" as used in this Section refers to all federal statutes and regulations, executive orders, state statutes and regulations, and DHS policies that apply to the Grantee's activities or that impose restrictions on the Grantee's use of federal or state funding or grants. To assist the Grantee in identifying and complying with the Applicable Laws, this Section C ("Grantee's Compliance with Applicable Laws") and Parts IV, V and VII of this Contract ("Contract Costs, Billing and Payment Information," "Cost Accounting Principles and Financial Reports," and "Summary of Some Commonly-Applicable Laws and Policies") include a listing and description of some commonly-applicable laws and policies. Grantee understands, however, that this Contract may not contain a complete list, that most business entities are subject to a wide variety of laws, and that it is the Grantee's responsibility to obtain appropriate advice about the scope and applicability of the laws and policies governing its activities.

2. **CERTIFICATION OF NON-DEBARMENT.** Pursuant to 45 CFR 76.100 *et seq.* and Executive Orders 12549 and 12689, DHS may not award contracts to entities that are listed on the government-wide debarment and suspension system. The Grantee certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Contract by any governmental entity. If the Grantee cannot so certify, the Grantee must attach a written explanation and DHS must obtain *prior* written approval for this Contract from the DHS Deputy Director for Support Services. Failure to obtain such prior written approval shall be considered a material breach of this Contract.

3. **DISCRIMINATION PROHIBITED:** The Grantee shall not discriminate against any person on the basis of race, color, sex, religion, ancestry, national origin, age, disability, or pregnancy or childbirth. The Grantee understands, for example, that the federal Office for Civil Rights has adopted policy guidelines that require DHS and the Grantee to ensure that DHS services are reasonably accessible to individuals with "limited English proficiency." (See <http://www.hhs.gov/ocr/generalinfo.html>) The guidelines specify when a Grantee must provide interpreter services for non-English speaking clients and they state that it is generally inappropriate to use the clients' relatives, especially minors, as interpreters. The Grantee shall also comply with the Utah Civil Rights Act (Sections 13-7-1 through 13-7-4 of the Utah Code), which prohibits discrimination by any business establishment, place of public accommodation, or enterprise regulated by the State of Utah.

4. **UNLAWFUL HARASSMENT PROHIBITED:** The Grantee shall comply with state and federal laws and regulations that prohibit unlawful harassment in the workplace, including the Utah Anti-Discrimination Act (Title 34A, Chapter 5 of the Utah Code) and Utah Executive Order dated March 17, 1993.

5. **DRUG-FREE WORKPLACE:** The Grantee shall maintain a drug-free workplace in accordance with federal and state statutes, regulations and policies, including guidelines and policies established by the State of Utah and DHS.

6. **HUMAN SUBJECTS RESEARCH:** The Grantee may not conduct any research involving human subjects or their private data if the subjects are employees of DHS or individuals receiving services (whether direct or contracted) from DHS, or where DHS has provided funding for a project that includes research in the contract, unless the Grantee has obtained prior written approval from the DHS Institutional Review Board (IRB), and from any other federal or state agencies whose approval is required for research on human subjects. Before conducting any such research, the Grantee shall fully comply with any requirements or conditions, including requirements relating to informed consent, imposed by such IRB committees or agencies. DHS Policy Manual, Policy No. 01-10, explains the policies and procedures for obtaining approval from the DHS IRB. Downloadable forms and instructions are available on the DHS IRB website: <http://www.dhs.utah.gov/irb/index.htm>.
7. **COMPLIANCE WITH LICENSING STANDARDS AND OTHER LAWS:** The Grantee represents that it currently meets all applicable licensing standards and other requirements of federal and state law, and all applicable ordinances of the city or county in which services or care is provided. The Grantee shall continue to comply with all such applicable standards, requirements and ordinances during the term of this Contract, and if the Grantee fails to do so, DHS may terminate this Contract immediately.
8. **COMPLIANCE WITH DHS' PROVIDER CODE OF CONDUCT:** Except as provided in subsection (d) of this Paragraph 8, the Grantee shall follow and enforce DHS' Provider Code of Conduct. The DHS Provider Code of Conduct may be found at the following web site: http://www.hsofo.utah.gov/services_contract_info.htm
 - a. Before allowing any employee or volunteer to work with clients under this Contract, the Grantee shall also comply with the following requirements:
 - (1) The Grantee shall provide a current copy of the Code of Conduct to each employee or volunteer currently working for the Grantee and to any new employees or volunteers; and
 - (2) The Grantee shall retain in each employee or volunteer's file a signed and dated statement in which that person certifies that he or she has read and understood the Code of Conduct and will comply with it.
 - b. As used in this Paragraph 8, "volunteer" means a person who:
 - (1) donates services to the Grantee without pay or other compensation, except for expenses incurred (such as meals and other travel costs); and
 - (2) is a board member, officer, or other person who is substantially involved in the Grantee's decision-making processes, or is a person who has direct unsupervised contact with DHS clients.
 - c. Annually, the Grantee shall obtain a copy of the current DHS Provider Code of Conduct poster. The Grantee shall prominently display the poster where its employees and volunteers can see it. (A copy of the current DHS Provider Code of

Conduct poster may be downloaded from the website identified in Paragraph 8 above.)

- d. If the Grantee is a Utah governmental entity, the Grantee may enforce its own written Code of Conduct in lieu of the DHS Provider Code of Conduct if the Grantee first provides DHS with a written certification that the Grantee has compared its own Code of Conduct and the DHS Provider Code of Conduct, and has determined that its own Code of Conduct is at least as comprehensive and stringent as the DHS Provider Code of Conduct. The governmental Grantee shall also give its employees and volunteers a copy of its Code of Conduct before they begin working with the clients under this Contract, and the governmental Grantee shall retain in each employee or volunteer's file a signed and dated statement in which that person certifies that he or she has read and understood the Grantee's Code of Conduct and will comply with it.

9. **RESTRICTIONS ON CONFLICTS OF INTEREST:**

- a. **Purpose and Overview.** The purpose of this Section is to assure that the goods and services provided to DHS under this Contract afford DHS a commercially reasonable level of quality and cost. These provisions prohibit Local Agencies and anyone acting on their behalf from using their employment with the State of Utah or their relationship with others, including potential subcontractors, to enter into any transaction or arrangement that is improper or gives the appearance of being improper because of that person's State employment or relationship with a third party.

The following table summarizes the key monitoring and reporting requirements in this Section:

CONFLICTS-OF-INTEREST MONITORING AND REPORTING REQUIREMENTS	
Grantee and Governmental Subcontractors	Non-Governmental - Subcontractors
Give DHS a Certificate of Compliance before entering into this Contract or a subcontract relating to this Contract; and Give DHS a Disclosure Form that identifies any existing and new conflicts of interest that relate to this Contract and are worth \$2,000 or more, and then obtain	Give DHS a Disclosure Form before entering into the subcontract with the Grantee; and Disclose new conflicts of interest as they arise during the term of this Contract; and

prior approval from DHS before entering into transactions or decisions involving these conflicts of interest.	Obtain prior approval from DHS before entering into any transactions that involve a conflict of interest that relates to this Contract.
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b. **Definitions**

- (1) **"Business Entity"** includes a sole proprietorship, partnership, limited liability company (LLC), association, joint venture, corporation, firm, trust, foundation, or other organization or entity used in carrying on a business.
- (2) **"Conflict of Interest"** means any situation where the Grantee or any Representative of the Grantee has economic, social, political, familial, or other interests which interfere with, or have the potential to interfere with, the exercise of that person's duties, responsibilities, or judgment on behalf of the Grantee or DHS in connection with this Contract, or which involve conflicting loyalties to the Grantee and to another interest. "Conflict of Interest" also includes any violation of the Ethics Acts, as explained in Paragraph (9)(d) below.
- (3) **"Disclosure Statement"** means a written statement provided to DHS by the Grantee or a subcontractor about their Conflicts of Interest, including the information listed in Paragraph (9)(f)(2) below. A form entitled "Conflict of Interest – Disclosure Statement" is available from DHS, and may be obtained through a DHS Contract Representative or through the DHS Bureau of Contract Management web site:
http://www.hsofo.utah.gov/services_contract_forms.htm
- (4) **"Dual Employment"** means employment by more than one of the following entities: the State of Utah, the Grantee, and another employer such as a subcontractor.
- (5) **"Grantee"** means the local governmental entity contracting with DHS, and includes all "Representatives" of that entity. (Paragraph (9)(b)(8) below defines the term "Representative.") If the Grantee subcontracts any of its duties under this Contract, the term "Grantee," as used generally in this Paragraph (9) also refers to the subcontractor and its Representatives, except as expressly provided in Paragraph (9)(f) below, which establishes different monitoring and reporting requirements for certain non-governmental subcontractors. See definition of "Subcontractor" in Part I, Section E, Paragraph 1.a. of this Contract.
- (6) **"Related Party"** means:
 - (a) any person related to the Grantee by blood or marriage, which, for purposes of this Contract, includes parents, spouses, children, siblings, grandparents, grandchildren, uncles, aunts, nephews, nieces, first cousins, and in-laws; and

- (b) all business associates of the Grantee:
 - (i) who are partners, directors, or officers in the same business entity as the Grantee;
 - (ii) who have authority to make decisions or establish policies in the same business entity as the Grantee; or
 - (iii) who directly or indirectly own 10% or more in the same business entity as the Grantee.
- (7) **“Related-Party Transaction”** means payments made by the Grantee to a Related Party in any manner or description (including those relating to administrative costs, capital expenditures, program expenditures, and payments for goods, services, facilities, leases, salaries, wages, professional fees or similar expenses) in connection with this Contract. “Related-Party Transaction” also means arrangements made between the Grantee and a Related Party, whether or not payments are involved, which affect the performance of this Contract in any manner.
- (8) **“Representative”** means any person or entity acting on behalf of the Grantee, and includes all employees, owners, partners, directors, officers, board members, and agents of the Grantee, as well as any other individual or group of individuals with authority to establish policies or make decisions for the Grantee. “Volunteers,” as defined in Paragraph (9)(b)(9) below, are not “Representatives” and are not required to be included in the Grantee’s Disclosure Statement, unless they are board members or officers, or are substantially involved in the Grantee’s decision-making processes, or unless they have direct, unsupervised contact with DHS clients.
- (9) **“Volunteer”** means a person who donates services to the Grantee without pay or other compensation, except for expenses incurred (such as for meals and travel costs).

c. **Restrictions on Conflicts of Interest.** Transactions involving Conflicts of Interest are prohibited to the extent that they are in any way the result of undue influence, or if they have the potential to result in increased costs, decreased performance, the appearance of impropriety, or any other disadvantage to DHS. Any Conflict of Interest that influences DHS’ decision to enter into this Contract with the Grantee or that influences any transactions undertaken by the Grantee pursuant to this Contract is a prohibited Conflict of Interest. Conflicts of Interest can occur in one of three ways:

- (1) **Dual Employment.** Conflicts of Interest involving Dual Employment can occur when a Grantee’s Representative is also employed by the State of Utah or by another employer such as a subcontractor. *See also* Paragraph (9)(d) below for statutory requirements relating to Dual Employment.

- (2) **Related-Party Transactions.** Conflicts of Interest involving Related-Party Transactions occur when the Grantee makes payments to a Related Party in any manner or description using money obtained from DHS through this Contract. Conflicts of Interest can also occur when arrangements are made between the Grantee and a Related Party, whether or not payments are involved, which affect the performance of this Contract in any way.
- (3) **Independent Judgment Impaired.** Conflicts of Interest involving impaired judgment occur when the Grantee's Representative participates in any transaction on the Grantee's behalf and has a significant relationship or shared interest with another party to the transaction, and this relationship or shared interest is not covered by the Related-Party Transaction restrictions in Paragraph (9)(c)(2) above, but could affect the Representative's ability or willingness to exercise independent judgment for the benefit of the Grantee.

Example: An employee of the Grantee negotiates and authorizes a subcontract with her best friend's company.

- d. **Dual Employment and Grantee's Compliance with the Ethics Acts.** While dual employment is not prohibited, the Grantee shall take measures to ensure that the Grantee's Representatives do not use their dual employment to influence either DHS' decision to enter into this Contract or to influence any transactions undertaken by the Grantee in furtherance of this Contract.

The Grantee shall comply at all times with the applicable provisions of the Utah Public Officers' and Employees' Ethics Act (Title 67, Chapter 16 of the Utah Code) and the Municipal Officers' and Employees' Ethics Act (Title 10, Chapter 3, Part 13 of the Utah Code) (referred to collectively as the "Ethics Acts"). The Ethics Acts prohibit public officers and public employees from having personal involvement in any Business Entity if that involvement creates a substantial conflict between their private interests and their public duties. The parties agree, however, that except as otherwise expressly provided in the "Related-Party Transaction" and "Independent Judgment Impaired" provisions of this Contract, nothing in this Contract is intended to expand or modify the Grantee's obligations under the Ethics Acts.

- e. **Grantee Policies and Internal Review:** The Grantee shall familiarize its Representatives with:
 - (1) the Conflict of Interest concept and the certification/disclosure requirements of this Contract; and
 - (2) the applicable provisions of the Ethics Acts.

The Grantee shall implement a written policy that requires its Representatives to disclose to the Grantee all existing, potential, and contemplated Conflicts of Interest. The Grantee shall also regularly review any disclosures and its own operations to reasonably assure DHS_ that the Grantee avoids prohibited Conflicts of Interest.

f. **Disclosing Conflicts of Interest to DHS:**

- (1) **Requirements for Governmental Entities Such As the Grantee and Its *Governmental* Subcontractors.** Before entering into this Contract or a subcontract related to this Contract, the Grantee and any *governmental* subcontractors shall comply with the following requirements:

- (a) **Certification of Compliance.** The Grantee and its *governmental* subcontractors shall submit to DHS a written certification, in which they certify that they maintain a written policy as required by Paragraph (9)(e) above. The certification shall also provide that the Grantee and the governmental subcontractor monitor for compliance with the Conflict of Interest provisions of this Contract and that they can reasonably assure DHS that Representatives with a potential Conflict of Interest do not:
- (i) make or influence decisions or set policies that affect this Contract;
 - (ii) monitor the performance of this Contract; or
 - (iii) become involved in or otherwise benefit from the performance of this Contract.

A form entitled "Conflict of Interest Certification" is available from DHS, and may be obtained through a DHS Contract Representative or through the DHS Bureau of Contract Management web site:
http://www.hsofo.utah.gov/services_contract_forms.htm

- (b) **Disclosure of Substantial Conflicts of Interest:** Before entering into this Contract or a subcontract relating to this Contract, the Grantee and its governmental subcontractors shall disclose to DHS any Conflict of Interest that relates to this Contract or the services provided under this Contract if the Conflict of Interest involves any payment or transaction or salary worth \$2,000 or more in a single state fiscal year. For all such Conflicts of Interest, the Grantee or governmental subcontractor shall submit a Disclosure Statement which includes all of the information required by Paragraph (9)(f)(2) below. The Grantee or governmental subcontractor shall also comply with the requirements of Paragraph (9)(f)(3) regarding the continuing duty to disclose these Conflicts of Interest.
- (c) **Option to Disclose All Conflicts of Interest:** In lieu of complying with the certification-and-disclosure requirements of this Paragraph (9)(f)(1), the Grantee and its governmental subcontractors have the option to comply with the disclosure requirements for *non-governmental* subcontractors. See Paragraph (9)(f)(2) below.

- (2) **Requirements for Non-Governmental Subcontractors:** Before entering into any subcontract with the Grantee to perform services covered by this Contract, a non-governmental subcontractor shall submit a Disclosure Statement to DHS in which the non-governmental subcontractor discloses any existing or potential Conflicts of Interest, including all information required by the Ethics Acts and this Contract. Specifically, the Disclosure Statement shall include:

- (a) **For Conflicts of Interest Involving Dual Employment** (defined in Paragraph (9)(b) and explained in Paragraph (9)(c) above), the following information is required:

- (i) whether any of the subcontractor's Representatives are engaged in Dual Employment, as defined in Paragraph (9)(b)(4);
- (ii) the name of the subcontractor's Representative engaged in Dual Employment;
- (iii) the titles or positions held by the subcontractor's Representative engaged in Dual Employment;
- (iv) the Representative's decision-making or monitoring authority with the employing entities, and how that Representative's authority affects this Contract or any subcontract relating to this Contract; and
- (v) the measures taken by the subcontractor to protect DHS from potentially adverse effects resulting from the Representative's Dual Employment.

- (b) **For Conflicts of Interest involving Related-Party Transactions or Impaired Judgment** (defined in Paragraph (9)(b) and explained in Paragraph (9)(c) above), the following information is required:

- (i) the name of the subcontractor's Representative having the Conflict of Interest;
- (ii) the name of the other party to the Conflict of Interest;
- (iii) the relationship between the individuals identified in (i) and (ii) above;
- (iv) the nature and value of the interest (if any) held by the Representative in the other Business Entity;
- (v) a description of the transaction to which the Conflict of Interest applies and the dollar amount involved (if any);
- (vi) the decision-making or monitoring authority of the subcontractor's Representative and the party identified in (ii) above, with respect to the applicable transaction or decision;
- (vii) the potential effect of the Conflict of Interest on this Contract or any subcontract relating to this contract; and
- (viii) the measures taken by the subcontractor to protect DHS from potentially adverse effects resulting from the identified parties' relationship.

- (c) If the non-governmental subcontractor has no Conflicts of Interest, the subcontractor shall so indicate on the Disclosure Statement. By submitting a Disclosure Statement, the subcontractor is certifying to DHS that it has checked its organization and has required its Representatives to disclose their Conflicts of Interest, and that it has disclosed all known Conflicts of Interest to DHS.
- (d) The non-governmental subcontractor shall also comply with the requirements of Paragraph (9)(f)(3) regarding the continuing duty to disclose its Conflicts of Interest.
- (3) **Continuing Duty to Disclose Conflicts of Interest.** The Grantee and its subcontractors have a continuing duty to immediately send DHS an updated Disclosure Statement if, at any time during the term of this Contract between the Grantee and DHS, they contemplate any transaction involving a Conflict of Interest, or hire or affiliate with any individual with a potential Conflict of Interest, or discover any existing Conflict of Interest, and if that Conflict of Interest is one that must be disclosed under this Contract. Additionally, for contracts in excess of one year, the Grantee and its subcontractor shall update their "Conflict of Interest Certification" and Disclosure Statements by July 1 of each year, containing the same information required by the initial certification and disclosure described in Paragraph (9)(f)(1)-(2) above.

g. DHS' Response to Disclosure Statements.

- (1) **Initial Approval, Disapproval or Remedial Action Requirement.** DHS shall submit a written response to the Grantee or subcontractor within fourteen days after receiving a Disclosure Statement. The response shall acknowledge receipt of the Disclosure Statement, and shall advise the Grantee or the subcontractor that:
 - (a) DHS does not require any additional information or remedial action before executing or continuing this Contract; or
 - (b) DHS requires additional information or disclosures or requires the Grantee or the subcontractor to undertake specific remedial action before executing or continuing this Contract; or
 - (c) DHS disapproves certain identified transactions due to one or more prohibited Conflicts of Interest and unless the Grantee or the subcontractor discontinues those transactions, DHS will declare this Contract breached and terminated.
- (2) **DHS' Right to Continue Its Investigation and Revise Its Response.** If DHS fails to respond to the Grantee or the subcontractor within fourteen days of receiving the Disclosure Statement, the disclosing party may proceed as if no additional information or remedial action were required. The parties

expressly agree, however, that regardless of any action taken pursuant to the response provisions contained in Paragraph (9)(g)(1) above, DHS retains the right to do any of the following if, at any time during the term of this Contract, DHS determines that a Conflict of Interest problem exists:

- (a) Continue to investigate any potential Conflict of Interest;
 - (b) Require further information from the Grantee or the subcontractor;
 - (c) Require specific remedial action; or
 - (d) Disapprove identified transactions.
- h. **Monitoring Compliance with the Conflict of Interest Provisions of This Contract.** DHS reserves the right to investigate and audit the records and transactions of the Grantee and its subcontractors at any time to determine if the Grantee and its subcontractors have complied with the restrictions on Conflicts of Interest, and to determine if the Grantee and its subcontractors took appropriate measures to assure that the goods or services provided under this Contract afford DHS a satisfactory level of quality and cost. Appropriate measures taken by the Grantee and its subcontractors to avoid improper Conflicts of Interest might include, for example, competitive bidding for the goods or services purchased by the Grantee or the subcontractor, or a requirement that billings include supporting documentation showing that costs were necessary, reasonable and actually incurred.
- i. **Remedies for Non-Compliance with the Conflict of Interest Provisions of This Contract.** The parties expressly acknowledge that if DHS reasonably determines that the Grantee or a subcontractor has failed to comply with the Conflict of Interest provisions of this Contract and has entered into any prohibited transaction or arrangement that is disadvantageous to DHS, DHS shall have the option to rescind or void this Contract without paying for services provided and without returning any consideration received. Regardless of whether DHS rescinds this Contract, DHS shall also have the option to disallow the Grantee and the subcontractor's expenditures and to adjust its payments to the Grantee by deducting such disallowed expenditures or by requiring the Grantee to immediately refund any payments previously made, as provided in Part IV, Paragraphs 8 and 9 of this Contract ("Overpayments, Audit Exceptions and Disallowances" and "Payment Withholding.") If DHS requests a refund from the Grantee, the Grantee shall refund the payment within thirty (30) days of receiving notice of such overpayment, and shall pay DHS interest at the rate of eight percent (8%) a year, beginning on the thirty-first day after the Grantee receives such notice.

SECTION D: COMPLIANCE MONITORING AND RECORD KEEPING RESPONSIBILITIES

1. **MONITORING OF GRANTEE'S PERFORMANCE:** DHS shall have the right to monitor the Grantee's and any subcontractor's performance of all services purchased under this Contract, including the Grantee's or subcontractor's expenditure of public funds.

Monitoring of Grantee's performance shall be at the complete discretion of DHS, who will rely on the criteria set forth in this Contract, including the goals, service objectives and methods described in Parts II and III ("Scope of Work and Special Conditions" and "Performance Measure and Client Outcomes") and the Grantee's fiscal operations described in Parts IV through VI ("Contract Costs, Billing and Payment Information," "Cost Accounting Principles and Financial Reports," and "Budgeting Principles and Forms"). Performance monitoring may include both announced and unannounced visits.

2. **REVIEW OF GRANTEE'S REPORTS AND BILLS:** All billings and reports submitted by the Grantee will be reviewed by DHS at DHS' discretion. DHS may direct any inquiries regarding Grantee's billings and reports to the Grantee's Representative as follows:

Title:	Planner	Name:	Dorothy Owens
Telephone:	801-468-2189	Email:	dowen@slco.org
Address:	2001 South State Street, #S2100, Salt Lake City, UT 84190		

3. **RECORD-KEEPING AND REPORTING REQUIREMENTS:** The Grantee shall comply with all record-keeping and reporting requirements of this Contract, including the requirements set out in the attachments to this Contract. In addition, the Grantee shall maintain or shall supervise the maintenance of all records necessary for the proper and efficient operation of the programs covered by this Contract, including records relating to applications, determination of clients' eligibility (if applicable), the provision of services and administrative costs, and any other records, such as statistical and fiscal records, necessary for complying with the reporting and accountability requirements of this Contract.

4. **RETENTION AND DESTRUCTION OF RECORDS RELATED TO THIS CONTRACT:** The Grantee shall retain all records related to this Contract for at least the following periods of time:

- a. **Administrative Records and Records Relating to Adult Clients:** The Grantee shall retain all administrative records relating to this Contract and all adult client records (including records that support Title XIX reimbursements) for at least six (6) years after DHS makes the last payment on this Contract, or six (6) years after the completion of any audits initiated within this six-year period, whichever period is longer.
- b. **Records Relating to Clients Who Are Minors:** The Grantee shall retain all records relating to clients under 18 years old (including records that support Title XIX reimbursements) for at least six (6) years after DHS makes the last payment on this Contract, or six (6) years after the completion of any audits initiated within this six-year period, or until the child client reaches the age of twenty-two (22), whichever period is longest.
- c. **Protecting DHS' Continuing Access Rights to Contract-Related Records:** The Grantee acknowledges that DHS is entitled to have ready access to all records relating to this Contract, and the Grantee shall not do anything to limit or interfere with DHS' access rights, except as expressly provided by law. DHS and the Grantee acknowledge, however, that entities other than DHS may also have access rights to

the records, especially if those entities provided part of the funding for the programs or services covered by this Contract.

- (1) **Permission for Early Destruction of Records:** The Grantee shall not destroy or relocate any records relating to this Contract or the services provided under this Contract for the six-year period defined in subsections (a) and (b) of this Paragraph ("Retention and Destruction of Records Related to This Contract"), unless the Grantee gives DHS thirty days' written notice and obtains DHS' prior written consent to the proposed destruction or relocation of the records. (As used in this Paragraph, the term "relocate" means to move the records to a site which is not either the site where the Grantee provides the services under this Contract or a site operated by the Grantee in the geographic area covered by this Contract.) As a condition of consenting to the Grantee's the early destruction or relocation of the records, DHS may require the Grantee to provide DHS with photocopies of the records, and the Grantee shall pay for the costs of photocopying the records, or the Grantee shall deliver the originals to DHS at the Grantee's own expense.

- (2) **Alcohol and Drug Abuse Patient Records - Discontinued Operations:** Notwithstanding the provisions of subparagraph (1) above, the parties acknowledge that if the Grantee provides alcohol or drug abuse diagnosis, treatment or referral services under this Contract and obtains information for the purpose of providing such services, the Grantee and DHS are bound by the requirements of 42 CFR Part 2 ("Confidentiality of Alcohol and Drug Abuse Patient Records"). Therefore, if the Grantee discontinues its alcohol or drug abuse program or ceases to provide such services under this Contract, the Grantee shall protect DHS access rights by implementing one of the following three options:
 - (a) Transfer the patient records to a successor agency or entity which has:
 - (i) entered into a contract with DHS to provide such services formerly provided by the Grantee;
 - (ii) agreed to provide DHS with the same access to the records as required under the Grantee's contract with DHS; and
 - (iii) obtained the patients' written consent to the transfer of the records, pursuant to 42 CFR § 2.19 (which governs the disposition of records by discontinued programs); or
 - (b) Deliver the patient records to the State Archives or an office within the Grantee under an arrangement by which the Grantee authorizes DHS to have continuing ready access to the records; or
 - (c) Transfer the records to DHS under an arrangement that complies with one or more of the following federal regulations: 42 CFR § 2.53 (which governs access by auditors and evaluators); 42 CFR § 2.11

(which allows access pursuant to a "qualified service organization agreement"); or 42 CFR § 2.33 (which allows disclosure with the patient's written consent).

- d. **Method for Destruction of Patient Records:** If the Grantee maintains any client records under this Contract, and if this Contract or the DHS retention schedule indicates that such client records are to be destroyed after a certain period of time, the Grantee shall shred or burn the records to protect client confidentiality. In the case of electronic records, the Grantee shall use a technique of destroying the records that adequately prevents unauthorized persons from reading or accessing the records. If the Grantee is unsure whether a particular technique will adequately destroy the electronic records, the Grantee shall consult with DHS and its technical specialists before using that technique.

5. **PROTECTING THE CONFIDENTIALITY OF CLIENT RECORDS:**

- a. **Client Records Are Generally Confidential.** If the Grantee maintains any client records in connection with the services provided under this Contract, the Grantee shall comply with this Paragraph. The Grantee acknowledges that client records are generally considered confidential and that depending upon the content of such records, access may be restricted under state and federal laws, including the Public Health Service Act (which classifies alcohol abuse, substance abuse and mental health patient records in federally assisted programs as confidential; *See* 42 USC § 290dd-2, 42 CFR § 2.1 *et seq.*, and other similar provisions); the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (which establishes standards to protect the privacy of health information maintained by health plans, health care clearinghouses and health care providers who transmit health information in electronic form; *See* Public L. 104-191 (1996) and 45 CFR Parts 160, 162, and 164); and the Utah Government Records Access and Management Act ("GRAMA": Title 63, Chapter 2 of the Utah Code).
- b. **Security Precautions for Client Records.** To preserve the integrity and confidentiality of client records, the Grantee shall maintain all client records in locked rooms or cases. Except with the express written consent of the client, the Grantee shall not use any client information for purposes not directly connected with the responsibilities or services under this Contract, and the Grantee may disclose client information only as provided by this Contract, as authorized by the client in writing, or as required by law. The Grantee's staff shall have access only to those portions of the records directly related to their work assignments.

6. **GENERAL ACCESS TO THE GRANTEE'S RECORDS:** The Grantee shall provide DHS with ready access to any records produced or received by the Grantee in connection with the services or programs provided under this Contract, unless such access is expressly prohibited by state or federal law. The Grantee acknowledges that some of its records, including this Contract, may be available to the public and to the Grantee's clients pursuant to GRAMA and other state and federal laws, including the federal "Protection and Advocacy for Individuals with Mental Illness Act," 42 USC §§ 10801 *et seq.* Therefore, upon receiving a request for records or information from any individual or entity other than DHS,

the Grantee shall immediately notify DHS about the request. However, if the Grantee receives a written request from the client or from a person or entity (such as a client's insurance provider) authorized by the client in writing to have access to the client's records, the Grantee may release the requested records without first notifying DHS if such release is consistent with the record classification, governing law and ethical practices. Except as otherwise directed by DHS or authorized by this Paragraph (6), the Grantee's non-governmental subcontractors and any Grantee or governmental subcontractor that lacks expertise in responding to GRAMA requests shall consult with DHS before responding to a record request to determine the appropriate response under this Contract and federal and state laws, including GRAMA. In such circumstances, if the requested records come within the scope of GRAMA and if DHS so requests, the Grantee shall deliver copies of the requested records to DHS, and allow DHS to respond directly to the records-request.

7. **AUDITORS' AND MONITORS' ACCESS TO THE GRANTEE'S RECORDS:** Upon request, the Grantee shall allow independent, state and federal auditors or contract reviewers to have access to any records related to this Contract, including all financial records (such as accounting records and supporting documentation) for audit review and inspection. (*See, e.g., 42 CFR § 2.53, "Confidentiality of Alcohol and Drug Abuse Patient Records," which allows inspection of records for auditing and contract performance purposes.*) In addition, the Grantee shall comply with all records-access provisions set forth in Parts IV, V and VII of this Contract ("Contract Costs, Billing and Payment Information," "Cost Accounting Principles and Financial Reports," and "Summary of Some Commonly-Applicable Laws and Policies".)
8. **NOTIFICATION OF THE INTERNAL REVENUE SERVICE:** The Grantee understands that it is DHS policy to notify the Internal Revenue Service if DHS suspects that a Grantee has violated IRS regulations or statutes.

SECTION E: SUBCONTRACTING, CONTRACT MODIFICATIONS, AND DISPUTE RESOLUTION PROCEDURES

1. SUBCONTRACTS:

- a. **Definition of "Subcontractor":** As used in this Contract, the term "subcontractor" means an individual or entity that has entered into an agreement with the Grantee to perform the services or provide the goods for which that Grantee is responsible under the terms of this Contract. Notwithstanding the foregoing, the term "subcontractor" also refers to individuals or entities that have entered into agreements with any subcontractor if: (1) those individuals or entities have agreed to perform all or most of the subcontractor's duties under this Contract; or (2) federal law requires this Contract to apply to such individuals or entities.
- b. **Is Subcontracting Allowed:** The Grantee may enter into subcontracts with other individuals or entities to provide the services required by this Contract and other state and federal laws.
- c. **When Subcontracting Is Allowed:** If Grantee is allowed to subcontract under Paragraph 1.b. above, the following provisions apply:

- (1) **Duties of Subcontractors:** Regardless of whether a particular provision in this Contract mentions subcontractors, a subcontractor must comply with all provisions of this Contract, including the state procurement requirements (or the equally-stringent county procurement requirements), insurance requirements and the fiscal and program requirements. The Grantee retains full responsibility for contract compliance, whether the services are provided directly or by a subcontractor.
- (2) **Provisions Required in Subcontracts:** If the Grantee enters into any subcontracts with other individuals or entities pursuant to subsection (b) above, and pays those individuals or entities for such goods or services through federal and state funds, the Grantee shall include provisions in its subcontracts regarding the federal and state laws identified in this Contract (Part I, Section C, "Grantee's Compliance with Applicable Laws" Part IV, "Contract Costs, Billing and Payment Information"; Part V, "Cost Accounting Principles and Financial Reports"; and Part VII, "Summary of Some Commonly-Applicable Laws and Policies"), as well as other laws and contract provisions identified in 45 CFR § 92.36(i), "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments".

2. **CONTRACT ASSIGNMENT:** The Grantee may not assign its benefits and obligations under this Contract to any other entity, but if DHS gives its prior written consent, the Grantee may subcontract for the administration of services under this Contract as allowed by Utah law.

3. **CONTRACT RENEGOTIATIONS OR MODIFICATIONS:** The parties may amend, modify or supplement this Contract only by a written amendment signed by the parties and approved by the DHS Bureau of Contract Management. The amendment shall be attached to the original signed copy of this Contract. DHS shall not pay for any services provided by the Grantee unless such payments are specifically authorized by this Contract or an approved written amendment to this Contract.

4. **CONTRACT TERMINATION:**

- a. **Right to Terminate Upon Thirty Days Notice.** Either party may terminate this Contract, with or without cause, in advance of the Contract's expiration date by giving the other party at least thirty (30) days written notice.
- b. **Immediate Termination.** In addition, if the Grantee's violation of this Contract creates or is likely to create a risk of harm to the clients served under this Contract, or if any other provision of this Contract (including any provision in the attachments) allows DHS to terminate the Contract immediately for a violation of that provision, DHS may terminate this Contract immediately by notifying the Grantee in writing.

- c. **Cooperative Efforts to Protect the Clients.** If either party elects to terminate this Contract, both parties will use their best efforts to provide for uninterrupted client services.
- d. **Processing Payments and Records Access After Termination.** Upon termination of the Contract, the parties shall use the financial and accounting arrangements set forth in this Contract to process the accounts and payments for any services that the Grantee rendered before the termination. In addition, the Grantee shall comply with the provisions of this Contract relating to the Grantee's record-keeping responsibilities, and shall ensure that the Grantee's staff properly maintains all records (including financial records and any client treatment records).
- e. **Attorneys' Fees and Costs.** If either party seeks to enforce this Contract upon a breach by the other party, or if one party seeks to defend itself against liability arising from the negligence of the other party, the prevailing party shall receive from the unsuccessful party all court costs and its reasonable attorneys' fees, regardless of whether such fees are incurred in connection with litigation.
- f. **Remedies for Grantee's Violation.** The Grantee acknowledges that if the Grantee violates the terms of this Contract, DHS is entitled to avail itself of all available legal, equitable and statutory remedies, including money damages, injunctive relief and debarment as allowed by state and federal law.

5. **GRIEVANCE PROCEDURES FOR CLIENTS AND APPLICANTS:** The Grantee shall establish a grievance system for the clients and applicants of the programs covered by this Contract, and shall notify each client and applicant in writing that:

- a. Clients and applicants have the right to present the Grantee with their grievances about:
 - (1) denial of services covered by this Contract;
 - (2) exclusion from a program covered by this Contract; or
 - (3) inadequacies or inequities in the programs and services provided under this Contract; and
- b. If the Grantee denies a grievance request about the services provided under this Contract or if the Grantee fails to respond to a grievance in a timely fashion, the client or applicant may contact, in writing, DHS' Representative listed on the front page of this contract. The Representative will attempt to resolve the grievance. If the client or applicant is dissatisfied with the Representative's response, the client or applicant may file a written appeal to the Director of DHS, and the Director shall respond to the appeal in writing within 30 working days. If the applicant or client is dissatisfied with the Director's decision, the client or applicant may request a hearing before the DHS Office of Administrative Hearings ("OAH"). This hearing request must be filed with OAH within ten (10) working days of receiving the DHS Director's written decision. If OAH finds that the client or applicant's request is

supported by applicable law, OAH may order the Grantee or DHS to remedy the problem addressed in the grievance.

6. **CONTRACT DISPUTES - COMPLAINT AND APPEAL PROCESS:** If the Grantee wishes to challenge any procurement issues related to this Contract, such challenges are governed by the provisions of Utah Code § 63-56-1, Utah Procurement Code.

The Grantee may appeal from any *non*-procurement contract disputes with DHS by filing a written appeal with the DHS Deputy Director for Support Services within thirty (30) days of the disputed DHS action or decision. The Grantee's written appeal shall identify the Grantee, the contract number, the disputed issue, pertinent contract provisions or legal authorities, and the contact person for the Grantee. The Grantee shall also provide a copy of the written appeal to the Director of DHS.

The DHS Deputy Director shall have ten (10) working days to issue DHS' written response to the Grantee's appeal. The Deputy Director may designate another DHS employee to review and respond to the Grantee's appeal. If the Grantee is not satisfied with the response of the Deputy Director, the Grantee may pursue those remedies available to it in a court of appropriate jurisdiction, subject to the rules and regulations applicable therein.

PART II: SCOPE OF WORK AND SPECIAL CONDITIONS

The following is a general description of the basic requirements and/or limitations attached to the SSBG Discretionary Funds awarded to Grantee in this contract. Grantee shall comply with the following as well as all other applicable SSBG rules and requirements in providing services under this Contract.

- ✓ A. **General Description:** The Social Services Block Grant (SSBG) is administered by the U.S. Department of Health and Human Services (HHS), Administration for Children and Families, Office of Community Services, Division of State Assistance. SSBG funds are allocated to the 50 States, territories, insular areas, the District of Columbia, and the Commonwealth of Puerto Rico (hereinafter "States"). The purpose of the SSBG is to enable States and local government agencies to furnish social services best suited to meet the needs of their individual populations. Grantees may provide services directly or purchase them from qualified providers.

Utah's SSBG funds are passed through the DHS Executive Director's Office to local government agencies as local discretionary funds. This is money from HHS, is passed through DHS, to the Grantee. The Grantee shall assure that the SSBG funding it receives is spent according to applicable Federal, State and local law, regulation, and policy.

- B. **Qualifying Services:** Services that may be provided with SSBG funds include, but are not limited to: child care for children or adults, protective services for children or adults, special services to persons with disabilities, adoption, counseling, case management, family planning, health-related, transportation, foster care for children or adults, substance abuse, legal, housing, home-delivered meals, congregate meals, independent/transitional living, special services for youth, employment services or any other social services needed by the Grantee's population. Although SSBG requirements allow the Grantee great flexibility to determine the services they will provide, those who are eligible to receive services, and how funds will be distributed among the various services funded, SSBG funds must be directed at one or more of the following broad goals:

1. Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency.
2. Achieving or maintaining self-sufficiency, including reduction or prevention of dependency.
3. Preventing or remedying neglect, abuse, or exploitations of children and adults unable to protect their own interests or preserving, rehabilitating, or reuniting families.
4. Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care.
5. Securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

- C. **Grantee Qualifications:** The Grantee must be a Utah local governmental agency authorized to receive SSBG funds.
- D. **Match Requirement:** Pursuant to Utah Administrative Code, Rule R495.861.1. C., Grantee "... shall be required to provide a 25 percent match for Discretionary SSBG funds". (See Part IV Contract Costs, Billing and Payment Information of this Contract.)
- E. **Delivery of Services:** The Grantee is subject to the same general guidelines and regulations governing the delivery of social services as is the State. The Grantee shall be responsible for ensuring that services funded in whole or in part by SSBG funds, are delivered by providers who are appropriately licensed, whose staff are appropriately licensed and/or trained to provide the service at issue, and who are in compliance with all applicable rules, regulations, and laws. The Grantee may deliver client services directly so long as it meets the necessary qualifications.
- F. **Annual Reporting Requirements:**

The following information shall be collected and reported to DHS on an annual basis on or before September 30th of each year so that DHS may prepare the State's annual post-expenditure report to HHS.

1. The number of individuals who received services paid for in whole or in part with federal funds made available under the SSBG, showing separately the number of children and the number of adults who received such services, and broken down in each case to reflect the types of services;
2. The amount of SSBG funds spent in providing each service, showing separately for each type of service the amount spent per child recipient and the amount spent per adult recipient;
3. The total amount of federal, state and local funds spent in providing each service including SSBG funds;
4. The method(s) by which each service was provided, showing separately the services provided by public agencies, those provided by private agencies, or both; and,
5. The criteria applied in determining eligibility for each service such as income eligibility guidelines, sliding fee scales, the effect of public assistance benefits, and any requirements for enrollment in school or training programs.

G. **Additional Reporting Requirements:**

1. The Grantee shall use the federal uniform definitions of services at 45 CFR 96 categories 1 - 28, in submitting the data required in Paragraph F above. Please refer to the federal uniform definitions found at:

<http://www.acf.hhs.gov/programs/ocs/ssbg/sub1/unifdef.html>

Where the Grantee cannot use the uniform definitions, it should report the data under category 29, "Other Services". The Grantee's definitions of each of the services listed in category 29 must be included in the annual report.

2. Each Grantee must use the reporting form issued by the DHS to report the data required in the above paragraph F (1) through (4).

H. **Billing Requirements:**

Grantee shall submit billings for SSBG funded services at least quarterly and in accordance with the instructions outlined in Part IV of this Contract.

PART III: PERFORMANCE MEASURES AND CLIENT OUTCOMES

The Grantee shall comply with the Performance Measures and Client Outcome requirements of the SSBG, including the following:

- ✓ 1. The nature of the Social Services Block Grant (SSBG), and in particular that portion which is discretionary and passed through to the Grantee, (*See* R495-861 Requirements for Local Discretionary Social Services Block Grant Funds) renders it unreasonable to identify all possible outcomes in this contract. The responsibility for assessing the overall efficiency of the services delivered by the Grantee rests with the Grantee.

The Grantee shall review and document program objectives and evaluate the services delivered. All services provided must meet the needs of the local population.

2. **Customer or Client Satisfaction Surveys:** The Grantee understands that DHS is committed to providing client-oriented services, and that DHS often conducts client-satisfaction surveys to ensure that services are appropriate for the clients served. The Grantee and/or its sub-Grantee therefore agree to cooperate with all DHS initiated client or customer feedback activities.

PART IV: CONTRACT COSTS, BILLING AND PAYMENT INFORMATION

1. GRANTEE'S SPECIFICS:

- a. Billing name and address of the Grantee:

Salt Lake County
2001 South State Street, #S2100
Salt Lake City, UT 84190-2000

- b. Telephone number: 801-468-2189

- c. Service delivery area or address/location where the services will be provided:

Salt Lake County

- d. Name and address of the entity or individual preparing Grantee's audit report or financial statement:

Deloitte and Touche LLP
50 South Main
Salt Lake City, UT 84144

2. **CONTRACT PAYMENT:** This Contract is a Pass-Through Contract. DHS' payment of pass-through funding to the Grantee shall be based on supporting documentation from the Grantee showing that the service costs were necessary, reasonable and actually incurred by the Grantee in providing the services required by this Contract. The line item allocations for services under this Contract are specified in the following table:

Service Name	Reimbursement Maximum
SSBG Discretionary	\$385,575.81
TOTAL	\$385,575.81

3. **METHOD AND SOURCE OF PAYMENTS TO THE GRANTEE:** To obtain payment for the services provided under this Contract, the Grantee shall submit to DHS, on at least a quarterly basis, an itemized billing for its authorized services, together with supporting documentation as required by the 1032 billing form supplied by DHS. DHS shall then reimburse the Grantee by a warrant drawn against DHS or the State of Utah. The Grantee shall bill DHS only for actual costs allowable under SSBG requirements, the federal and DHS cost principles referred to in Part V ("Cost Accounting Principles and Financial Reports"), and the Grantee shall maintain records that adequately support the allowability of these costs.

- a. **Billing Form:** DHS Form 1032.

- 4b. **Other Billing Instructions:** This Contract shall be paid through FINET. On each billing form submitted to DHS, the Grantee shall document the following: (i) the specific purpose(s) for which each claim for payment is made; (ii) the amount of each charge; and (iii) the specific program for which each charge is made and, if required by DHS, the category under which the program falls (*See categories 1 - 28 defined in 45 CFR 96*). Contractor will be notified in writing by DHS if billing by category is required for billing purposes. Billings submitted by the Grantee shall be reviewed by DHS for compliance with SSBG requirements prior to any payment being made.

4. **UNIFORM BILLING PRACTICES:** Grantee guarantees that the amounts it charges for services to clients under this Contract shall not be higher than the amounts the Grantee charges others for comparable services.

5. **BILLING DEADLINES:** The Grantee shall submit all billings and claims for services rendered during a given billing period within twenty (20) days after the last date of that billing period. All final billings under a contract must be received within twenty (20) days of termination of the contract, regardless of the billing period. If the Grantee fails to meet these deadlines, DHS may deny payment for such delayed billings or claims for services.

Contractor's billing period is:

☒ Monthly ☐ Quarterly ☐ Other (Specify):

The State Fiscal Year is from July 1 through June 30. The Grantee shall submit all billings for services performed on or before June 30th of a given fiscal year no later than July 20th of the following fiscal year, regardless of the termination date of the contract. DHS may delay or deny payment for services performed in a given fiscal year if it receives the Grantee's billing for those services later than July 20th of the following fiscal year.

6. **MATCHING FUNDS:** The Grantee shall provide the following 25 percent "match" for Discretionary SSBG funds. (*check all that apply*):

☒ In-kind services valued at \$128,525.27.
☐ Cash in the amount of \$_____.

7. **NON-FEDERAL MATCH:** For those contracts requiring a non-federal match, that match shall comply with the provisions of Title 45 of the Code of Federal Regulations, Part 74, Sub-part G. Other funding sources may require different non-federal match amounts, as shown in Paragraph 6 of this Part IV ("Contract Costs, Billing and Payment Information").

8. **OVERPAYMENTS, AUDIT EXCEPTIONS AND DISALLOWANCES:** If an independent CPA audit or a fiscal review by DHS determines that DHS has over-paid the Grantee for services under this Contract because: (a) the Grantee's expenditures under this Contract are ineligible for reimbursement as they were not authorized by this Contract; or (b) the Grantee's expenditures are inadequately documented, the Grantee shall immediately refund such excess payments to DHS upon written request. Furthermore, DHS shall have

the right to withhold any or all subsequent payments under this or other contracts with the Grantee until DHS fully recoups any overpayments made to the Grantee.

9. **PAYMENT WITHHOLDING:** DHS may withhold funds from the Grantee for contract non-compliance, failure to comply with DHS directives regarding the use of public funds, misuse of public funds or monies, or failure to comply with state and federal law or policy in the Grantee's subcontracts with private providers. If an audit finding or judicial determination is made that the Grantee or its subcontractor misused public funds, DHS may also withhold funds otherwise allocated to the Grantee to cover the costs of any audits, attorney's fees and other expenses associated with reviewing the Grantee's or the subcontractor's expenditure of public funds. DHS shall give the Grantee prior written notice that the payment(s) will be withheld. The notice shall specify the reasons for such withholding and the actions that the Grantee must take to bring about the release of any amounts withheld.

PART V: COST ACCOUNTING PRINCIPLES AND FINANCIAL REPORTS

SECTION A: COST ACCOUNTING PRINCIPLES

1. **GRANTEE'S COST ACCOUNTING SYSTEM:** Grantee agrees to maintain a financial and cost accounting system in accordance with the Generally Accepted Accounting Principles ("GAAP"), issued by the American Institute of Certified Public Accountants; or the "Governmental GAAP," issued by the United States Governmental Accounting Standards Board. An entity's accounting basis determines when transactions and economic events are reflected in its financial statements. An entity may record its accounting transactions and events on a cash basis, accrual basis, or modified accrual basis. In the cash basis of accounting, the entity recognizes its revenues and expenditures as cash is received. The accrual basis of accounting is concerned more with the process by which cash expended on resources and activities is returned as more (or perhaps less) cash to the enterprise, not just with the beginning or end of that process. The accrual basis includes the elements of deferral of costs, amortization and depreciation. The modified accrual basis is a mixture of both cash and accrual basis concepts. According to GAAP and Governmental GAAP, the cash method of accounting is not appropriate for governmental entities; the accrual basis and modified accrual basis of accounting are the preferred methods.

At a minimum, the Grantee's accounting system shall provide for a General Ledger, and cost accounting records adequate to assure that costs incurred under this Contract are reasonable, allocable to contract objectives, and separate from costs associated with other business activities of the Grantee.

2. **REQUIRED DOCUMENTATION:** Grantee agrees that all program expenditures and revenues shall be supported by reasonable documentation (such as vouchers, invoices, and receipts) which the Grantee shall store and file in a systematic and consistent manner. Grantee shall maintain all such records until six years after all audits initiated by federal and state auditors are completed, or for six (6) years from the date of termination of this Contract, whichever is longer.
3. **APPLICABLE COST PRINCIPLES:** The Grantee shall comply with the Federal Cost Accounting Principles applicable to the Grantee's type of business organization regardless of the source of contract funding. 'For-profit' organizations are required to follow the Federal Cost Accounting Principles for 'non-profit' organizations.
 - a. Federal Cost Principles determine allowable costs in DHS contracts. They can be found in circulars published by the Federal Office of Management and Budget ("OMB"). The Grantee may locate the Federal Cost Principles applicable to its organization at the internet web site:

OMB Circulars: <http://www.whitehouse.gov/omb/circulars/index.html>

- b. In addition to complying with Federal Cost Accounting Principles, Contractor must also comply with established DHS Cost Accounting Principles. Contractors may obtain a copy of the DHS Cost Principles by contacting the DHS Bureau of Contract Management, 120 North 200 West #213, Salt Lake City, Utah 84103, or by accessing the DHS Bureau of Contract Management web site, currently at the following address:

http://www.hsofo.utah.gov/services_contract_info.htm

For the Grantee's convenience, DHS provides Table 1 below, "Cost Accounting Principles," as a reference guide to the applicable cost principles. However, the information in this table is not exhaustive, and the Grantee understands that it is obligated to seek independent legal or accounting advice.

As shown in Table 1, "Cost Accounting Principles," the principles applicable to a particular Grantee depend upon the Grantee's legal status.

Table 1: Cost Accounting Principles

Contractor	Federal Cost Principles	DHS Cost Accounting Principles
State or Local Govt. & Indian Tribal Govts.	OMB Circular A-87	Applies to all contractors. <i>See</i> above OMB web site.
Hospital	45 CFR 74, App. E	Applies to all contractors. <i>See</i> http://www.gpoaccess.gov/cfr/index.html
College or University	OMB Circular A-21	Applies to all contractors. <i>See</i> above OMB web site.
Non-Profit Organization	OMB Circular A-122	Applies to all contractors. <i>See</i> above OMB web site.
For-Profit Organization	OMB Circular A-122	Applies to all contractors. <i>See</i> above OMB web site. (Note: DHS Cost Principles require for-profit contractors to apply the cost principles established by OMB Circular A-122.)

4. **SERVICE CODE COST SUMMARY:** Upon request, the Grantee shall submit to DHS actual cost expenditures and specific service codes for the services provided by the Grantee under this Contract. If DHS wishes to review the Grantee's records and programs, DHS may request cost data as early as ninety-one (91) days after completion of the prior contract period. If the Grantee fails to submit the service code cost summaries (cost summary) within twenty (20) working days from the date of DHS' request, DHS may withhold payments on this or subsequent contracts with the Grantee until the Grantee submits the requested cost summaries. The cost summaries submitted by the Grantee are subject to review by DHS. Cost summaries shall agree in total (and in detail where possible) with any other financial information that the Grantee submits to DHS, including financial information

such as audit reports, financial statements, and similar information. Cost summaries which are inconsistent with other financial information submitted by the Grantee may be subject to further investigation by DHS. The cost data shall be in the "Service Code Cost Summary" format provided by DHS. The Grantee shall report the costs in accordance with federal and DHS cost principles, identified in this Section A ("Cost Accounting Principles"), and shall include only "allowable" costs in submitting data to DHS. In addition, upon request by DHS, the Grantee shall submit allowable cost data to DHS.

5. **PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA:** If any price, including any profit or fee, negotiated in connection with this Contract, or any cost reimbursable under this Contract, was increased by any significant sum because the Grantee furnished cost or pricing data (such as service code cost summaries, salary schedules or reports of prior-period costs) which were inaccurate, incomplete, and out-of-date, the price or cost shall be reduced accordingly and the Contract shall be modified in writing as necessary to reflect such reduction, and any amounts which DHS overpaid shall be subject to overpayment assessments. Any action DHS may take in reference to such price reduction shall be independent of, and not be prejudicial to, DHS' right to terminate this agreement.

SECTION B: FINANCIAL REPORTING REQUIREMENTS

1. GENERAL REQUIREMENTS:

- a. **Definitions Used in this Part V ("Cost Accounting Principles and Financial Reports").** This Part V uses numerous accounting and financial terms. Paragraph 2 below sets forth the definitions for the most commonly-used terms, and Paragraph 4 below sets forth the definitions for additional terms used in this Part V.
- b. **No Financial Reporting Requirements for Professionals Contracting in an Individual Capacity.** There are no federal, state, or DHS financial reporting requirements for individuals such as doctors, dentists, social workers, and other similar professionals contracting in an individual capacity to provide services to clients. Therefore, the financial reporting requirements discussed in this Section are not applicable to professionals contracting as individuals. (Note: Sole proprietors and limited liability companies owned by either one person or by a husband and wife are considered individuals for reporting requirement purposes. However, individuals associated with corporations, partnerships, or other contracting organizations **are not** individuals for reporting requirement purposes.)

Notwithstanding the lack of financial reporting requirements for individuals, Grantees providing services in an individual capacity are still subject to financial review by the contracting agency and/or another DHS entity.

- c. **No Financial Reporting Requirements for Contracting Organizations Receiving Less than \$10,000 from DHS in a Single Fiscal Year.** Contracting organizations that receive less than \$10,000 from DHS in a single fiscal year have no financial reporting requirement to DHS. However, they are still subject to financial review by the contracting agency and/or another DHS entity.

- d. **Financial Reporting Requirements for Out-of-State Organizations.** The financial reports of out-of-state organizations providing services to DHS clients outside the State of Utah will be accepted as submitted without regard to the financial reporting requirements applicable to in-state organizations. However, if the out-of-state organization is providing services to DHS clients in the State of Utah via a Utah based subsidiary, division, unit, or other entity included in the out-of-state organization's financial report, a separate **Statement of Functional Expenses** for the Utah based entity must accompany the report. If the Utah based entity is not included in the out-of-state organization's financial report, the same financial reporting requirements apply to the Utah based entity as apply to other in-state organizations.
- e. **Grantee's Compliance with Applicable Financial Laws.** The Grantee shall comply with all applicable federal and state laws regarding financial reports. The Grantee shall comply with all applicable requirements set forth in: (1) OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," published by the federal government; and (2) the State of Utah Legal Compliance Audit Guide ("SULCAG"), issued by the State Auditor's Office. For the Grantee's convenience, DHS has prepared Table 2 below, "Federal, State and DHS Financial Reporting Requirements," as a reference guide to the various financial reporting requirements. The information in this table is not exhaustive and the Grantee understands that it is obligated to seek independent legal or accounting advice. Grantee may access the applicable federal and state financial reporting requirements through the following Internet web sites (current as of June 2006):
- (1) **OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations:** <http://www.whitehouse.gov/omb/circulars/index.html>
 - (2) **Utah Code:** http://www.le.utah.gov/~code/TITLE51/51_01.htm
 - (3) **Utah Administrative Rules:**
<http://www.rules.utah.gov/publicat/code/r123/r123-005.htm>
 - (4) **SULCAG:** <http://www.sao.utah.gov/sulcag/Introduction.htm>
- f. **Additional Financial Reporting Requirements for DHS Contracts:** In addition to the financial reporting requirements set forth in OMB Circular A-133 and the SULCAG, this DHS Contract requires the Grantee to submit various financial reports to the DHS Bureau of Contract Management ("BCM"), as set forth in a separate column in Table 2 below, "Federal, State and DHS Financial Reporting Requirements."
- g. **The Entity Type and the Amount and Source of Government Funds Determines the Type of Financial Report Required.** Whether or not a Grantee is required to obtain and submit an annual audit or other financial reports is determined by the Grantee's entity type and the amount and source of government funds that the Grantee expends during a given year. For example, if the Grantee is a non-profit

organization and is a subrecipient that expends \$500,000 or more in federal funds during a given year, the Grantee is required by federal law to obtain and submit a Single Audit or Program-Specific Audit, as described in OMB Circular A-133.200. However, if that same Grantee expended *less* than \$500,000 in federal funds in a given year, the Grantee would be exempt from *federal* auditing requirements under OMB Circular A-133.200(d), yet still be subject to *State* auditing requirements such as those established under State statute (*e.g.*, Utah Code § 51-2a-101 *et seq.*: "Accounting Reports from Political Subdivisions, Interlocal Organizations and Other Local Entities Act"), administrative rules promulgated by the State Auditor's Office (*see* Utah Administrative Code, Rule R123-5-1), and the SULCAG, issued by the State Auditor's Office.

Based on the SULCAG, DHS requires all contractors except sole proprietorships to submit an audit prepared according to "government auditing standards" whenever the contractor has \$350,000.00 or more in total revenues and 50% or more of those revenues come from government agencies (federal, state, county, and/or local, etc.). Unaudited reports may be required of contractors with total revenues under \$350,000.00 (see Table 2 below "Federal, State and DHS Financial Reporting Requirements").

- h. **Questioned Costs.** DHS may consider any unit of service billed by the Grantee to be a questioned cost if the unit of service billed is not supported by proper documentation verifying it was actually provided. DHS may seek recovery of questioned costs from the Grantee.
- i. **Changes in Federal or State Financial Reporting Requirements.** If Federal or State financial reporting requirements change during the course of the contract period, DHS may advise the Grantee of the changes via written notice signed by an authorized representative of DHS. The notice shall specifically identify the new reporting requirement(s) and the effective date of the same. A notice issued pursuant to this paragraph shall constitute an amendment of the contract under Part I, Section E, Paragraph 3, without the Grantee's signature.

2. **DEFINITIONS FOR AUDITING AND FINANCIAL TERMS USED IN THIS CONTRACT:**

- a. **"Federal Funds"** means federal financial assistance that a Grantee receives directly from federal awarding agencies or indirectly from Pass-Through Entities. **NOTE: For purposes of this Part V, Medicaid funds are not considered "Federal Funds".**
- b. **"Government Funds"** means financial assistance that a Grantee receives from a combination of government sources, including federal awarding agencies, state appropriations and other local governments.
- c. **"OMB"** means the federal Executive Office of the President, Office of Management and Budget.

- d. **"OMB Circular"** means a publication issued by the OMB that sets forth federal cost accounting or auditing requirements.
- e. **"Pass-Through Entity"** means an entity (such as DHS) which receives federal funds and then passes those funds through to subrecipients, such as local governments and non-profit organizations.
- f. **"Service Provider"** means a private or governmental entity that receives funds from DHS for services provided to DHS' clients under a program developed by DHS.
- g. **"Subrecipient"** means a governmental entity or a non-profit or for-profit organization that develops and operates its own program of services for eligible clients, and that receives federal and/or state funds from DHS or another entity which serves as a "recipient" and "Pass-Through Entity" for such federal funding. If the Grantee operates its own program of services for eligible clients, the Grantee shall comply with the financial record-keeping and reporting requirements that apply to federally-funded subrecipients, even if this Contract is funded solely by *State* funds.
- h. **Additional definitions** to certain terms used in this Part V are provided in Paragraph 4 below.

3. **GRANTEE'S SUBMISSION OF REQUIRED AUDITS AND OTHER FINANCIAL REPORTS:**

- a. **Deadlines:** The Grantee shall be bound by OMB Circular A-133 and the SULCAG submission deadlines for audits and financial reports. *See also* Table 2 below, "Federal, State and DHS Financial Requirements."

Where the Grantee is required to submit audits and financial reports to DHS under OMB Circular A-133, the SULCAG and DHS contract provisions, and the Grantee needs an extension for filing of such reports, the Grantee may request an extension by contacting BCM at the address below. However, Grantee understands that BCM can extend only those deadlines for reports Grantee is required to submit to DHS. Grantee must contact the Federal Clearinghouse, federal awarding agencies, and the State Auditor's Office to obtain extensions of deadlines for submission of reports to those entities.

- b. **Addresses:** The Grantee shall submit all audits and financial reports to the entities identified in the applicable law, OMB Circular A-133 and the SULCAG. *See also* Table 2 below, "Federal, State and DHS Financial Reporting Requirements".

Where the Grantee is required to submit audits and financial reports to DHS under OMB Circular A-133, the SULCAG and DHS contract provisions, the Grantee shall submit the required audits and financial reports to the following address:

Department of Human Services
Attention: Financial Analyst
Bureau of Contract Management (BCM)
120 North 200 West, #213
Salt Lake City, UT 84103

4. **ADDITIONAL DEFINITIONS USED IN THIS PART V:**

- a. **"Audit Findings"** means a schedule of all costs questioned by the auditor relative to Government Funds.
- b. **"Compliance Opinion"** means an auditor's opinion that Grantee has complied with all applicable auditing laws and requirements.
- c. **"Federal Clearinghouse"** means the federal clearinghouse designated by the OMB. As provided in OMB Circular A-133.320(i), "the address of the Federal clearinghouse currently designated by OMB is Federal Audit Clearinghouse, Bureau of the Census, 1201 E. 10th Street, Jeffersonville, IN 4713."
- d. **"Financial Statements"** means financial reports of the Grantee's accounting records for a given fiscal year, prepared by an independent accountant or employee of the Grantee, including balance sheet, income and expense statement, statement of cash flows, the preparer's notes to the Financial Statements
- e. **"GAAP"** means Generally Accepted Accounting Principles, a combination of authoritative accounting principles, standards and procedures (set by policy boards). Financial statements usually include a balance sheet, statement of income and expenses, statement of cash flows and notes to the financial statements.
- f. **"GAAS"** means Generally Accepted Auditing Standards, issued by the American Institute of Public Accountants (AICPA).
- g. **"GAS"** means Government Auditing Standards, issued by the Comptroller General of the United States, to be followed in audits of state and local governments and non-profit organizations that receive federal financial assistance. GAS is often referred to as Generally Accepted Government Auditing Standards ("GAGAS"). For financial statement audits, GAS/GAGAS incorporate the generally accepted standards issued by the AICPA.
- h. **"Management Letters"** means the auditor's notes and recommendations to the Grantee's management personnel subsequent to a fiscal audit.
- i. **"Non-profit Organization"** means a corporation or foundation which: (1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; and (2) does not distribute any part of its income to its members, trustees, or officers.

- j. **"Program-Specific Audit"** means an audit of one specific federal program, using GAGAS standards, as described in OMB Circular A-133.200(c) and A-133.235.
- k. **"Reporting Package"** means the auditor's package of financial reports as defined in OMB Circular A-133, and shall include Financial Statements and Schedule of Expenditures of Government Funds, Summary Schedule of prior audit findings, auditor's report(s), and corrective action plan.
- l. **"SULCAG"** means the State of Utah Legal Compliance Audit Guide issued by the State Auditor's Office.
- m. **"Schedule of Expenditures"** means a break-down of expenditures of Government Funds for a given year, showing the total administrative expenses as compared to funds expended for program services.
- n. **"Single Audit"** means an audit using GAGAS standards, as described in OMB Circular A-133.500, which includes both the Grantee's financial statements and its federal awards.
- o. **"Statement of Functional Expense"** means a breakdown of administration expenses and expenses attributed to actual program services on a program-by-program basis.
- p. **"Summary Schedule"** means a summary listing of all Audit Findings reported in the prior annual audit, and includes the Summary Schedule reported in the prior annual audit, except Audit Findings listed as corrected.

Table 2: Federal, State and DHS Financial Reporting Requirements

Type of Entity	Amount of Annual Funding	Federal Audit and Reporting Requirements	State Audit and Reporting Requirements	DHS Contract Reporting Requirements	Submission Deadlines
Government Agency; OR Non-Profit Sub-recipient	\$500,000 or more expended in Federal Funds	<p>Single Audit or Program Specific Audit, using GAGAS standards. (OMB Circular A-133.200, A-133.235, and A-133.500)</p> <p><u>Financial Reports Required from Contractor:</u></p> <ol style="list-style-type: none"> 1. Data Collection Form as described in OMB Circular A-133.320 (a), (b) and (d) -to Federal Clearinghouse 2. Reporting Package- to: <ol style="list-style-type: none"> (a) Federal Clearinghouse (b) Each federal awarding agency - if audit disclosed Audit Findings or reported the status of any Audit Findings in the Summary Schedule <p>(OMB Circular A-133.320 (c) and (d))</p> <ol style="list-style-type: none"> 3. Submission by Subrecipients: <ol style="list-style-type: none"> (a) "Reporting Package" to each Pass-Through Entity when Audit Findings were disclosed relating to federal awards; (b) "Written Notification" to each Pass-Through Entity when no Audit Findings were disclosed and a Reporting Package was not required. <p>(OMB Circular A-133.320(e)(1) and (e)(2))</p>	<p>Non-Profit Organizations that receive 50% or more of their funding from Government Funds AND all governmental agencies must submit the following audits and reports to the Utah State Auditor's Office:</p> <ol style="list-style-type: none"> 1. Copies of the entire <u>Single Audit or Program Specific Audit report</u> 2. The auditor's management letter, if the Single Audit or Program Audit report disclosed any Audit Findings. (The SULCAG provides that there are NO reporting or auditing REQUIREMENTS for Non-Profit Organizations that receive LESS THAN 50% of their total funding from Government Funds, regardless of the amount of funding.) 	<ol style="list-style-type: none"> 1. As required by OMB Circular A-133, both government and non-profit Contractors shall provide to DHS the following: <ol style="list-style-type: none"> a. Reporting Package - if audit disclosed Audit Findings or reported the status of any prior Audit Findings in the Summary Schedule; or b. Written Notification - if audit did not disclose Audit Findings or report on the status of any prior Audit Findings in the Summary Schedule; and 2. This Contract also requires Contractor to submit the following: <ol style="list-style-type: none"> a. Auditor's Management Letter; and b. Upon request by DHS, (1) entire Single or Program Specific Audit report; and (2) Reporting Package (if not already required by OMB Circular A-133) (3) For non-profit contractors, the statement of Functional Expenses. 	<ol style="list-style-type: none"> 1. Thirty (30) days after Contractor receives the auditor's reports, or nine (9) months after end of fiscal year audited, whichever occurs first. (OMB Circular A-133.320) 2. The above deadlines also apply to submission of Single Audit or Specific Audit reports required by the Utah State Auditor's Office and this DHS Contract.

Type of Entity	Amount of Annual Funding	Federal Audit and Reporting Requirements	State Audit and Reporting Requirements	DHS Contract Reporting Requirements	Submission Deadlines
Government Agency; Non-Profit Sub-recipient; OR Non-Profit Service Provider	Less than \$500,000 expended in Federal Funds, but \$350,000 or more in total revenue	No audit required -- but records must be available for review or audit by Fed. Officials (OMB Circular A-133.200(d))	All Non-Profit Organizations that receive 50% or more of their funding from Government Funds AND all governmental agencies must submit the following audits and reports to the Utah State Auditor's Office: a. Audited Financial Report using GAS/GAGAS (also known as "Yellow Book," standards. b. The auditor's management letter, if the GAS/GAGAS "Yellow Book" report disclosed any Audit Findings. <i>See Also Utah Code § 51-2</i>	Government agencies and non-profit entities if 50% or more of the total funds received by non-profit Contractor are Government Funds: 1. Copy of the Entire Audit Report required by the SULCAG; and 2. Auditor's Management Letter. 3. Statement of Functional Expenses. IF LESS THAN 50% of total funds received by a non-profit Contractor are from Government Funds such that Contractor is not required by the SULCAG to submit any financial reports, DHS requires: 1. Unaudited CPA Review; and 2. Statement of Functional Expenses.	Within six (6) months after end of Contractor's fiscal year Utah Code § 51-2-2
	Less than \$350,000, but \$200,000 or more in total revenue	NO REQUIREMENTS	All Non-Profit Organizations that receive 50% or more of their funding from Government Funds AND all governmental agencies must submit the following reports to the Utah State Auditor's Office: <u>Unaudited CPA Review.</u>	Government agencies and non-profit entities (if 50% or more of the total funds received by non-profit Contractor are Government Funds): 1. Unaudited CPA Review; and 2. Statement of Functional Expenses IF LESS THAN 50% of total funds received by a non-profit Contractor are from Government Funds: 1. Unaudited CPA Compilation; and 2. Statement of Functional Expenses	Within six (6) months after end of Contractor's fiscal year
	Less than \$200,000 but \$100,000 or more in total revenue	NO REQUIREMENTS	All Non-Profit Organizations that receive 50% or more of their funding from Government Funds AND all governmental agencies must submit the following reports to the Utah State Auditor's Office: Unaudited CPA Compilation	All Non-Profit Organizations that receive 50% or more of their total funding from Government Funds AND all governmental agencies: 1. Unaudited CPA Compilation; and 2. Statement of Functional Expenses IF LESS THAN 50% of the total funds received by a Non-Profit Organization are from Government Funds: 1. Unaudited Financial report prepared according to GAAP; AND 2. Statement of Functional Expenses	Within six (6) months after end of Contractor's fiscal year

Type of Entity	Amount of Annual Funding	Federal Audit and Reporting Requirements	State Audit and Reporting Requirements	DHS Contract Reporting Requirements	Submission Deadlines
	Less than \$100,000 but \$10,000 or more in total revenue	NO REQUIREMENTS	All Non-Profit Organizations that receive 50% or more of their funding from Government Funds AND all governmental agencies must submit the following reports to the Utah State Auditor's Office: Financial Information on the form approved by the State Auditor. All Non-Profit Organizations that receive 50% or more of their funding from Government Funds AND all governmental agencies must submit to the Utah State Auditor's Office, financial information on the form approved by the State Auditor	All contractors: Unaudited financial information, including, at a minimum: 1. <u>Balance sheet</u> ; and 2. <u>Income and Expenses Statement</u>	Within six (6) months after end of Contractor's fiscal year
All Contracting Entities	Less than \$10,000 received from DHS in the Fiscal Year	NO REQUIREMENTS	NO REQUIREMENTS	NO REQUIREMENTS	Within six (6) months after end of Contractor's fiscal year
For-Profit Subrecipients, OR Service Providers	Based upon the same funding level breakdowns as above	NO REQUIREMENTS	NO REQUIREMENTS	The non-profit reporting requirements identified above also apply to for-profit contractors with the following exceptions: 1. The reporting format required of non-profit contractors is not required. 2. The Independent Auditor's Report on State Legal Compliance is not required. 3. The financial reports of foreign organizations (organizations located outside the State of Utah) shall be accepted as prepared. 4. Local subsidiaries or divisions of an outside organization shall submit a statement of functional expenses in addition to the parent organization's financial report.	Within six (6) months after end of Contractor's fiscal year

PART VI: BUDGETING PRINCIPLES AND FORMS

The Grantee must provide DHS with the financial information required in Part II ("Scope of Work and Special Conditions") and Part V ("Cost Accounting Principles and Financial Reports") of this contract.

PART VII: SUMMARY OF SOME COMMONLY- APPLICABLE LAWS AND POLICIES

SECTION A: COMPLIANCE WITH ADMINISTRATIVE GRANT REQUIREMENTS

The Grantee is bound by federal law, which establishes various fiscal and administrative rules applicable to all entities that receive federal grant monies. These rules are published in OMB Circular A-110 and in the OMB Common Rule, which is codified in 45 CFR Part 92 (1999) and 45 CFR Part 74. See Section B for helpful web site addresses.

SECTION B: COMPLIANCE WITH GENERALLY APPLICABLE STATE AND FEDERAL LAWS

As noted in Part I ("General Provisions") Section C of this Contract, the Grantee is required to comply with all anti-discrimination and drug-free workplace laws, and all laws governing research involving human subjects. When the Grantee receives state and federal funds under this Contract, certain state and federal requirements also apply, including the following federal laws: Equal Employment Opportunity Executive Order, the Davis-Bacon Act, the Hatch Act, the Copeland "Anti-Kickback" Act, the Fair Labor Standards Act, the Contract Work Hours and Safety Standards Act, the Clean Air Act, the Federal Water Pollution Control Act, the Byrd Anti-Lobbying Amendment, and the Debarment and Suspension Executive Orders. The Grantee shall comply with these laws and regulations to the extent they apply to the subject matter of this Contract and are required by the amount of state and federal funds involved in this Contract.

For the Grantee's convenience, DHS provides Table 3, "Federal and State Laws and DHS Policies," as a reference guide to various laws and requirements. The information contained in this table is not exhaustive and the Grantee understands that it is obligated to seek independent legal advice in these matters.

The Grantee may locate the federal and state principles and requirements cited in this Section by accessing the following internet web sites (current as of June 2006):

- (a) **United States Code:** <http://uscode.house.gov>
- (b) **Code of Federal Regulations:** <http://www.gpoaccess.gov/cfr/index.html>
- (c) **Information About Public Laws, Executive Orders Of The President, And Other Federal Requirements:** <http://thomas.loc.gov>
- (d) **Utah Code:** <http://www.le.utah.gov/~code/code.htm>
- (e) **Utah Administrative Rules:** <http://www.rules.utah.gov/publicat/code.htm>
- (f) **DHS Policy Manual:** <http://www.hspolicy.utah.gov>

Table 3: FEDERAL AND STATE LAWS AND DHS POLICIES

Description of Act	Summary of Law	Applicable Federal Law	Applicable State Law
Discrimination and Employment Related Laws			
Equal Employment Opportunity	Prohibits employment discrimination based on race, color, religion, sex, or national origin. Governs any entity with government contracts that total \$10,000.00 or more in a 12-month period.	Exec. Order No. 11246 (1965), as amended by Exec. Order No. 11375; 41 CFR Part 60	
The Civil Rights Act of 1964, Title VI	Prohibits discrimination on the grounds of race, color, or national origin, from participation in, or denial of benefits under any program or activity receiving federal financial assistance.	45 CFR Part 80	
The Civil Rights Act of 1964, Title VII	Prohibits employers from discriminating against employees on the basis of race, color, religion, national origin, and sex and prohibits all discriminatory employment practices.	Pub. L. No. 88-352 42 USC § 2000e <i>et seq.</i>	
Rehabilitation Act of 1973, Section 504	Prohibits discrimination against qualified handicapped individuals from participation in, or denial of benefits under any program or activity receiving federal financial assistance.	29 USC § 701 <i>et seq.</i> ; 45 CFR Part 84	
Americans with Disabilities Act of 1990; Section 504 of the Rehabilitation Act of 1973	Prohibit discrimination on the basis of disability.	42 USC § 12101 <i>et seq.</i> ; 29 USC § 794; 28 CFR Part 35, Part 39	
Education Amendments of 1972, Title IX	Prohibits discrimination on the basis of sex, from participation in, or denial of benefits under any educational program or activity receiving federal financial assistance.	20 USC §§ 1681-1683, and 1685-1686; 45 CFR Part 86	
Age Discrimination Act of 1975	Prohibits discrimination on the basis of age in any program or activity receiving federal financial assistance.	42 USC §§ 6101-6107; 45 CFR Part 91	
Public Health Service Act, Section 526	Prohibits discrimination in the admission or treatment of drug abusers who suffer from medical conditions. Applies to private or public general hospitals that receive support in any form from a federally funded program, and to outpatient facilities receiving or benefiting from federal financial assistance.	45 CFR Part 84.53	
Public Health Service Act, Section 522	Prohibits discrimination in the admission or treatment of alcohol abusers and alcoholics who suffer from medical conditions. Applies to private or public general hospitals that receive support in any form from a federally funded program, and to outpatient facilities receiving or benefiting from federal financial assistance.	45 CFR Part 84.53	
Utah Civil Rights Act	Prohibits discrimination on the basis of race, color, sex, religion, ancestry, or national origin by any business establishment, place of public accommodation, or enterprise regulated by the State of Utah. <i>See also</i> Utah Anti-Discrimination Act.		Utah Code § 13-7-1 <i>et seq.</i>

Description of Act	Summary of Law	Applicable Federal Law	Applicable State Law
Utah Antidiscrimination Act -- (Includes the prohibition of unlawful harassment)	Prohibits employers from refusing to hire or promote, or from discharging, demoting, terminating, retaliating against, harassing , or discriminating in matters of compensation or in terms, privileges, and conditions of employment against any person because of race; color; sex; pregnancy, childbirth, or pregnancy related conditions; age, if individual is 40 years or older; religion; national origin; or disability. An "employer" is defined as the state; any political subdivision; a board, commission, department, institution, school district, trust, or agent of the state or its political subdivisions; or anyone employing 15 or more employees within the state, except religious organizations.		Utah Code § 34A-5-101, <i>et seq.</i> (See also Utah Executive Order March 17, 1993, which prohibits sexual harassment of state employees and employees of public and higher education)
Utah Occupational Safety and Health Act	Requires employers to provide a place of employment free from recognized hazards that are causing or are likely to cause death or physical harm. An "employer" is defined as the state; each county, city, town, and school district in the state; and every person, firm, and private corporation including public utilities, having one or more workers regularly employed in the same business or establishment.		Utah Code § 34A-6-101, <i>et seq.</i>
Drug-Free Workplace Requirements	Prohibits the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in the workplace, and permits drug testing of employees.	41 USC § 701 through 707, Drug Free Workplace Act of 1988	Utah Code § 34-41-101 <i>et seq.</i> ; Utah Code § 34-38-1 <i>et seq.</i> ; Utah Code § 67-19-36 <i>et seq.</i> ; Utah Administrative Code, R.477-14-1 <i>et seq.</i> ; and DHS Policy Manual, Policy No. 02-03.
Fair Labor Standards Act	Requires Contractor to comply with minimum wage requirements, child labor limitations, overtime limitations, and other labor standards.	29 USC § 201 <i>et seq.</i>	
Contract Work Hours and Safety Standards Act	Requires standard work week of 40 hours, and payment of overtime hours at time and a half.	40 USC §§ 3701-3704; 29 CFR Part 5	
Davis-Bacon Act	Requires Contractor to pay laborers and mechanics minimum wages as determined by the Secretary of Labor.	40 USC § 3142; 29 CFR Part 5	
Copeland Anti-Kickback Act	Prohibits Contractor from inducing employees to give up any part of the compensation to which they are entitled. Applies to contracts and subgrants for construction or repair in excess of \$2,000.	45CFR 2543.82, 18 USC § 874, 29 CFR Part 3	
Employment Eligibility Verification	Requires Contractor to comply with the Immigration and Naturalization requirement to maintain a signed copy of the I-9 Employment Eligibility Verification Form for each employee.	8 USC § 1324a	

Description of Act	Summary of Law	Applicable Federal Law	Applicable State Law
Property Laws			
National Environmental Policy Act of 1969 ("NEPA")	Establishes national policy goals and procedures to protect and enhance the environment. NEPA applies to all federal agencies and requires them to consider the probable environmental consequences of any major federal activity, including activities of other organizations operating with the concurrence or support of a federal agency. This includes grant-supported activities under this Contract if federal funds are involved.	42 USC § 4321 <i>et seq.</i> ; 40 CFR Part 1500 <i>et seq.</i>	
Federal Clean Air Act	Provides for federal, state, regional, and local programs to prevent and control air pollution. Applies to contracts in excess of \$100,000.	42 USC § 7401 <i>et seq.</i>	
Federal Water Pollution Control Act	Provides for federal, state, regional, and local programs to prevent and control water pollution. Applies to contracts in excess of \$100,000.	33 USC § 1251 <i>et seq.</i>	
National Historic Preservation Act ("NHPA") of 1966	Requires a Contractor to assist the federal grantor agency in complying with the NHPA by: (1) consulting with the state Historic Preservation Officer in investigations to identify any properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects by the contemplated federally assisted undertaking; (2) notifying the federal grantor agency of the existence of any such properties; and (3) complying with all requirements established by the federal grantor agency to avoid or mitigate adverse effects upon such properties.	16 USC § 470, <i>et seq.</i> ; 36 CFR Part 800, <i>et seq.</i>	
Utah Clean Air Act	Prohibits smoking in public places.		Utah Code § 26-38-1, <i>et seq.</i>
Flood Disaster Act of 1973 and other flood hazard provisions	Requires a Contractor to purchase flood insurance for any area having special flood hazards as a condition to receiving federal financial assistance.	42 USC § 4106	
Energy Policy and Conservation Act	Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issue in compliance with the federal Energy Policy and Conservation Act.	42 USC § 6322	
Miscellaneous			
Health Insurance Portability and Accountability Act of 1996 (HIPAA)	Establishes standards for the electronic transmission of health information and for protecting the privacy of health information maintained by health plans, health care providers, and health care clearinghouses.	45 CFR Parts 160, 162, and 164	
Public Health Service Act, Section 474(a), Protection of Human Subjects	Requires basic protection of human subjects involved in Public Health Service grant supported research activities.	42 USC § 2899; 45 CFR Part 46; 21 CFR 50 & 21 CFR 56	DHS Policy Manual, Policy No. 01-10.

Description of Act	Summary of Law	Applicable Federal Law	Applicable State Law
Byrd Anti Lobbying Amendment	Requires certification by Contractor that it will not and has not used government appropriated funds to influence an officer or employee of any agency in connection with obtaining the contract, grant, or award. Applies to contracts in excess of \$100,000.	31 USC § 1352; 45 CFR Part 93	Refer to Part VIII of this Contract ("Disclosure of Lobbying Activities")
Debarment and Suspension	Prohibits award of contracts to entities on list of debarred, suspended, or otherwise excluded entities.	45 CFR Part 76; Exec. Order No. 12549; Exec. Order No. 12689	
Hatch Act	Prohibits certain employees of a state or local unit of government who work with federally financed programs from running for an elective office in partisan elections. The Act defines a covered officer or employee as "an individual employed by a State or local agency whose principal employment is in connection with an activity which is financed in whole or in part by loans or grants made by the United States or a federal agency."	5 USC § 1501, <i>et seq.</i>	Utah Code § 67-19-19
Abuse Reporting Requirements	Requires any person who learns of abuse to a child or to a vulnerable adult to report that abuse to law enforcement or to the appropriate division within DHS.		Utah Code § 62A-4a-403; Utah Code § 62A-3-305.
Conflicts of Interest - DHS employees- financial interest in Contractor's business.	Prohibits conflicts of interests, and requires Contractor to disclose any potential conflicts of interest.		Utah Code § 67-16-7(2); DHS Policy Manual, Policy No. 02-02.

PART VIII: DISCLOSURE OF LOBBYING ACTIVITIES

Title 31 United States Code (USC) § 1352 requires Contractors with a contract in excess of \$100,000 to certify that they will not and have not used government appropriated funds to influence an officer or employee of any agency in connection with obtaining a contract, grant, or award. If Contractor meets the criteria for disclosure set forth in the above-cited section, Contractor shall complete and submit to the required federal entity, a Disclosure of Lobbying Activities form. Both this form and instructions for completing it can be found at the following website:
<http://www.whitehouse.gov/omb/grants/sfillin.pdf>

PART IX: JURISDICTION, COPYRIGHT, AND OTHER GENERAL PROVISIONS

1. **CONTRACT JURISDICTION:** The provisions of this Contract shall be governed and interpreted according to the laws of the State of Utah.
2. **SEPARABILITY CLAUSE:** The declaration by any court or other binding adjudicative body that any provision of this Contract is illegal or void shall not affect the legality or enforceability of any other provision of this Contract unless such provisions are mutually dependent.
3. **COPYRIGHT OWNERSHIP AND ACKNOWLEDGING DHS IN ADVERTISING:**
Except as otherwise expressly provided in this Contract or by state or federal law, DHS owns the copyright for all materials developed by the Grantee for DHS or the State of Utah under this Contract. Nevertheless, if the Grantee develops any materials for its own uses or purposes in connection with this Contract, and if such materials are not required by this Contract or requested by DHS as part of the Grantee's performance of this Contract, DHS shall allow the Grantee to use those materials free of charge, without requiring the Grantee to obtain prior permission or a separate license. In addition, the Grantee is entitled to use the results and information generated in connection with this Contract for the Grantee's internal research and non-commercial uses, including scholarly publications and other non-commercial research purposes. However, such research is subject to DHS IRB review and approval prior to commencement of any research efforts (*See Part I, Section C. Paragraph 6*). In all written and oral discussions or advertising for the programs covered by this Contract (including all brochures, flyers, informational materials, interviews and talk shows), the Grantee shall acknowledge that DHS provided funding for the programs.
4. **DHS' AUTHORITY TO EXECUTE THIS CONTRACT:** DHS has the authority to enter into this Contract pursuant to state and federal laws, including state statutes relating to the Utah Department of Human Services (Title 62A of the Utah Code), the Utah Procurement Code (Title 63, Chapter 56 of the Utah Code), state procurement regulations (Section R33 of the Utah Administrative Code), and related statutes which permit DHS to pass through certain specified federal funds.

5. **AUTHORITY OF PERSON SIGNING FOR THE GRANTEE:** The Grantee represents that the person who has signed this Contract on behalf of the Grantee has full legal authority to bind the Grantee and to execute this Contract.
6. **GRANTEE HAS NOT ALTERED THIS CONTRACT:** By signing this Contract, the Grantee represents that neither it nor its employees or representatives have in any way altered the language or provisions in the Contract, and that this Contract contains exactly the same provisions that appeared in this document and its attachments when DHS originally sent it to the Grantee.
7. **CERTIFICATION REGARDING APPLICABLE LAWS:** The Grantee certifies that it has read this Contract, including Part I, Section C ("Grantee's Compliance with Applicable Laws") and Part VII ("Summary of Some Commonly-Applicable Laws and Policies"), and the Grantee agrees to comply with all applicable laws that govern its activities.

IN WITNESS WHEREOF, the parties executed this Contract:

GRANTEE

By: _____
Type or Print Name: _____
Title/Position: _____
Salt Lake County Corporation
Date: _____

APPROVED

By: _____
Sheri Witucki, Contract Analyst
State Division of Finance
Date: _____

DHS

By: _____
Mary Wallace, Financial Analyst III
DHS Office of Fiscal Operations
Date: _____

**APPROVED AS TO AVAILABILITY
OF FUNDS**

By: _____
Jodi Patterson, Financial Manager II
DHS Office of Fiscal Operations
Date: _____

SALT LAKE COUNTY

By: See Cover Sheet Signature
Mayor or Designee

STATE OF UTAH)
 :SS.
COUNTY OF SALT LAKE)

On this ____ day of _____ 2007 personally appeared before me
_____, who being duly sworn, did say that
(s)he is the _____ of Salt Lake County, Office of Mayor, and that the foregoing
instrument was signed on behalf of Salt Lake County, by authority of law.

[SEAL]

NOTARY PUBLIC
Residing in Salt Lake County

APPROVED AS TO FORM
Salt Lake County District Attorney's Office
By *[Signature]*
(Deputy District Attorney)
Date 6-15-07