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Project Officer  
Department of Drug and Alcohol

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Alternate Project Officer  
Department of Drug and Alcohol

**COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS  
and**

SAP NO.

This outpatient gambling treatment grant agreement ("Agreement") is made and entered into by and between the Commonwealth of Pennsylvania ("Commonwealth"), through the Department of Drug and Alcohol Programs ("Department") and the Grantee for Outpatient Treatment Services ("Grantee").

**WITNESSETH:**

**WHEREAS**, the Pennsylvania Race Horse Development and Gaming Act, Act of July 5, 2004, P.L. 572, No. 71, ("Act 2004-71") established the Compulsive and Problem Gambling Treatment Fund to be expended solely for programs for the prevention and treatment of gambling addiction and other emotional and behavioral problems associated with or related to gambling addiction and for the administration of the compulsive and problem gambling program;

**WHEREAS**, the Act of Oct. 30, 2017, P.L. 419, No. 42, 4 Pa. C.S.A. § 1509 ("Act 2017-42") explicitly gave the Department the power and duty to administer the Compulsive and Problem Gambling Treatment Fund;

**WHEREAS**, Act 2017-42, 4 Pa. C.S.A. § 3310, directed the Department to update the program for compulsive and problem gambling to include video gaming;

**WHEREAS**, the Department established the Outpatient Gambling Treatment Grant Program ("Program") utilizing funds from the Compulsive and Problem Gambling Treatment Fund to compensate qualified Department approved providers of outpatient gambling treatment services for their services to Pennsylvanians struggling with compulsive or problem gambling issues; and

**WHEREAS**, the Grantee submitted an application to participate in the Program and Department approved the application.

**NOW, THEREFORE**, the parties, intending to be legally bound, agree as follows:

1. **Services Provided.** The Grantee shall provide outpatient gambling treatment services to eligible Pennsylvania residents in accordance with the Statement of Work ("SOW") set forth in Appendix A and the Department's Gambling Treatment Services Manual ("Manual") set forth in Appendix B to this Agreement.
2. **Term and Termination.** The term of this Agreement shall commence on the date of the last required Commonwealth signature and shall remain in effect for five (5) years, unless terminated sooner by either party in accordance with this paragraph. Thereafter, the term of this Agreement will automatically renew for five (5) additional one (1) year terms. The Department may terminate this Agreement at any time for its convenience or for any other reason if it determines that termination is in its best interests, or is otherwise appropriate, by giving written notice to the Grantee of termination and specifying the effective date of the termination. The Grantee shall be paid for services it provided prior to the effective date of the termination. The Grantee may terminate this Agreement, at any time, by giving the Department thirty (30) days written notice of termination.

3. **Billing and Payment.** The Grantee shall submit monthly invoices to the Department for outpatient gambling treatment services provided during the previous month in accordance with the billing requirements set forth in Section 13 of the Manual.
  - A. The Commonwealth will make payments to the recipient through Automated Clearing House ("ACH"). Within 10 days of the grant award, the grantee must submit or must have already established its ACH information in the Commonwealth's Master Database. The grantee will also be able to enroll to receive remittance information via electronic addenda and email (e-Remittance). ACH and e-Remittance information is available at <https://www.budget.pa.gov/Services/ForVendors/Pages/Direct-Deposit-and-e-Remittance.aspx>.
  - B. The recipient must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth's ACH remittance advice to enable the recipient to properly apply the state agency's payment to the respective invoice or program.
  - C. It is the responsibility of the recipient to ensure that the ACH information contained in the Commonwealth's Master Database is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.
  
4. **Additional Terms and Conditions.** The terms and conditions set forth in the following Appendices are incorporated into this Agreement:
  - A. Appendix B – Gambling Treatment Services Manual
  - B. Appendix C - Standard General Terms and Conditions; and
  - C. Appendix D - HIPAA Business Associate Appendix.
  
5. **Insurance.**
  - A. The Grantee shall accept full responsibility for the payment of premiums for Workers' Compensation, Unemployment Compensation, Social Security, and all income tax deductions required by law for its employees who are performing services under this Agreement. As required by law, an independent contractor is responsible for Malpractice Insurance for outpatient treatment personnel. The Grantee shall provide a copy of the policy with all renewals for the entire contract period.
  
  - B. The Grantee shall, at its expense, procure and maintain during the term of this Agreement, the following types of insurance, issued by companies acceptable to the Department and authorized to conduct such business under the laws of the Commonwealth of Pennsylvania:
    - i. Worker's Compensation Insurance for all of the Grantee's employees and those of any subcontractor, engaged in work at the site of the project as required by law.
  
    - ii. Public liability and property damage insurance to protect the Commonwealth, the Grantee, and any and all subcontractors from claim for damages for personal injury (including bodily injury), sickness or disease, accidental death and damage to property, including loss of use resulting from any property damage, which may arise from the activities performed under this Agreement or the failure to perform under this Agreement whether such performance or nonperformance be by the Grantee, by any subcontractor, or by anyone directly or indirectly employed by either. The limits of such insurance shall be in an amount not less than \$500,000 each person and \$2,000,000 each occurrence, personal injury and property damage combined. Such policies shall be occurrence rather than claims-made policies and shall name the Commonwealth of Pennsylvania as an additional insured. The insurance shall not contain any endorsements or any other form designated to limit or restrict any action by the Commonwealth, as an additional insured, against the insurance coverage in regard to work performed for the Commonwealth.

- C. Prior to commencement of the work under the Agreement and during the term of this . Agreement, the Grantee shall provide the Department with current certificates of insurance. These certificates shall contain a provision that the coverages afforded under the policies will not be cancelled or changed until at least thirty (30) days' written notice has been given to the Department
6. **Confidentiality.** The Grantee shall not use or disclose any information about a recipient of the outpatient gambling treatment services provided under this Agreement for any purpose not connected with the Grantee's responsibilities under this Agreement. The Grantee shall also comply with the confidentiality provisions contained in 4 Pa. Code § 255, 4 Pa. Code § 257, 28 Pa. Code § 709.28, and 55 Pa. Code § 5100.37 as applicable.
  7. **Compliance with Applicable Law.** The Grantee shall comply with all applicable federal and state laws.
  8. **Audit.** This Agreement is subject to audit by Commonwealth agencies and/or their designated representatives, including audits of actual cost incurred. The Grantee shall maintain records of program costs and expenditures under this Agreement. At the direction of the Department or the Commonwealth, all Grantee's books and records related to this Agreement shall be made available for audit at a site designated by the Commonwealth. The Grantee shall preserve books, documents, and records sufficient to justify its costs and expenditures for three years after expiration of this Agreement. The Grantee shall give full and free access to all records to the Commonwealth and/or their authorized representatives.
  9. **Third Party Beneficiary Rights.** This Agreement does not create or intend to confer any rights in or on persons or entities not a party to this Agreement.
  10. **Remedies Not Exclusive.** The rights and remedies of the Department provided under this Agreement shall not be exclusive and are in addition to any other rights and remedies provided by law.
  11. **Amendments and Modifications.** No alterations or variations to this Agreement shall be valid unless made in writing and signed by the parties. Amendments to this Agreement shall be accomplished through a formal written document signed by the parties with the same formality as the original Agreement.
  12. **Assignment.** The Grantee shall not assign or otherwise transfer its rights, interest, or obligation under this Agreement, whether by operation of law or otherwise without the prior written consent of the Department.
  13. **Independent Contractor.** Grantee's relationship to the Department is one of independent contract and nothing contained herein is intended or shall be construed as to create an employment, agency or partnership relationship between the parties
  14. **No Waiver.** The failure of either party to insist upon the strict performance of the terms and conditions hereof shall not constitute or be construed as a waiver or relinquishment of either party's right to thereafter enforce the same in accordance with this Grant Agreement.
  15. **Severability.** The provisions of this Agreement shall be severable. If any phrase, clause, sentence or provision of this Agreement is declared to be contrary to the Constitution of Pennsylvania or of the United States or of the laws of the Commonwealth the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Agreement and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby.
  16. **Integration and Merger.** This Agreement constitutes the final, complete and exclusive agreement between the parties containing all the terms and conditions agreed on by the

parties. All representations, understandings, promises and agreements pertaining to the subject matter of this Agreement made prior to or at the time this Agreement is executed are superseded by this Agreement unless specifically accepted by any other term or provision of this Agreement. There are no conditions precedent the performance of this Agreement except as expressly set forth herein.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their proper officials below.

COMMONWEALTH OF PENNSYLVANIA  
Department of Drug and Alcohol Programs

\_\_\_\_\_  
Department of Drug and Alcohol      Date  
Agency Head or Designee

APPROVED AS TO FORM AND LEGALITY

\_\_\_\_\_  
AGENCY COUNSEL      Date

\_\_\_\_\_  
OFFICE OF GENERAL COUNSEL      Date

\_\_\_\_\_  
OFFICE OF ATTORNEY GENERAL      Date

\_\_\_\_\_  
Comptroller      Date

Funds Commitment Number: \_\_\_\_\_

\_\_\_\_\_  
Signature      Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Title

## **APPENDIX A**

### STATEMENT OF WORK FEE FOR SERVICE – OUTPATIENT GAMBLING TREATMENT SERVICES

1. The Grantee shall implement Outpatient Gambling Treatment Services (“Services”) in either an established office or in a Department licensed facility, utilizing only certified gambling counselors as approved by the Department. The Grantee shall implement services in a non-discriminatory and culturally sensitive manner. The Grantee shall be able to demonstrate its ability to recognize and respond appropriately, as determined by the Department through onsite visits, to the unique needs of special populations to include, but not be limited to, language, culture, race, gender, sexual orientation and age-related difference.
2. The Grantee shall comply with the requirements outlined in the Department’s Gambling Treatment Services Manual.
3. The Grantee shall offer clients both individual and group Services.
4. The Grantee shall only utilize Department approved gambling treatment counselors.
5. When contacted by a client for an appointment, the Grantee shall complete the Gambling Screening Tool to determine if there are any other clinical disorders in addition to gambling that need to be addressed. The Gambling Screening Tool is located on DDAP’s website at [www.ddap.pa.gov](http://www.ddap.pa.gov). If the Grantee is unable to provide these additional services, then a referral to licensed provider must be offered to the client.
6. Any news releases or advertising material issued by the Grantee relating to the Services provided under this Agreement must be approved in writing by the Department and shall be issued in conjunction with the Department.
7. Pursuant to Executive Order 2021-06, *Worker Protection and Investment* (October 21, 2021), the Commonwealth is responsible for ensuring that every Pennsylvania worker has a safe and healthy work environment and the protections afforded them through labor laws. To that end, contractors and grantees of the Commonwealth must certify that they are in compliance with all applicable Pennsylvania state labor and workforce safety laws. Such certification shall be made through the Worker Protection and Investment Certification Form (BOP-2201) and submitted with the bid, proposal or quote.



**WORKER PROTECTION AND INVESTMENT CERTIFICATION FORM**

A. Pursuant to Executive Order 2021-06, *Worker Protection and Investment* (October 21, 2021), the Commonwealth is responsible for ensuring that every worker in Pennsylvania has a safe and healthy work environment and the protections afforded them through labor laws. To that end, contractors and grantees of the Commonwealth must certify that they are in compliance with Pennsylvania’s Unemployment Compensation Law, Workers’ Compensation Law, and all applicable Pennsylvania state labor and workforce safety laws including, but not limited to:

1. Construction Workplace Misclassification Act
2. Employment of Minors Child Labor Act
3. Minimum Wage Act
4. Prevailing Wage Act
5. Equal Pay Law
6. Employer to Pay Employment Medical Examination Fee Act
7. Seasonal Farm Labor Act
8. Wage Payment and Collection Law
9. Industrial Homework Law
10. Construction Industry Employee Verification Act
11. Act 102: Prohibition on Excessive Overtime in Healthcare
12. Apprenticeship and Training Act
13. Inspection of Employment Records Law

B. Pennsylvania law establishes penalties for providing false certifications, including contract termination; and three-year ineligibility to bid on contracts under 62 Pa. C.S. § 531 (Debarment or suspension).

**CERTIFICATION**

I, the official named below, certify I am duly authorized to execute this certification on behalf of the contractor/grantee identified below, and certify that the contractor/grantee identified below is compliant with applicable Pennsylvania state labor and workplace safety laws, including, but not limited to, those listed in Paragraph A, above. I understand that I must report any change in the contractor/grantee’s compliance status to the Purchasing Agency immediately. I further confirm and understand that this Certification is subject to the provisions and penalties of 18 Pa. C.S. § 4904 (Unsworn falsification to authorities).

|   |             |
|---|-------------|
|   |             |
| <i>Signature</i>                              | <i>Date</i> |
|   |             |
| <i>Name (Printed)</i>                         |             |
|   |             |
| <i>Title of Certifying Official (Printed)</i> |             |
|   |             |
| <i>Contractor/Grantee Name (Printed)</i>      |             |

**APPENDIX B**

GAMBLING TREATMENT SERVICES MANUAL



**STANDARD GENERAL TERMS AND CONDITIONS**

**1. DEFINITIONS.**

- A. **Contract or Contractor.** The parties understand that the use of the terms “Contract” and “Contractor” throughout this Agreement shall mean “Grant Agreement” and “Grantee” respectively.
- B. **Contracting Officer.** The person designated to act for the Department in the processing of this Grant Agreement. The person so designated is the Director, Bureau of Administration and Program Support.
- C. **Project Officer.** The person designated to act for the Department in administering this Grant Agreement.
- D. **Sub-grantee.** The entity with whom the Grantee enters into an Agreement to perform work under the Grant Agreement. The term “sub-grantee” shall include sub-contractors and any other term the Grantee may use for such an entity.

**2. GRANT AGREEMENT CONSTRUCTION.**

The provisions of this Grant Agreement shall be construed in accordance with the provision of the Laws of the Commonwealth of Pennsylvania.

**3. GRANT AGREEMENT CONTROVERSIES.**

- A. All questions or disputes arising between the parties hereto respecting any matter pertaining to this Grant Agreement or any part thereof or any breach of Grant Agreement arising thereunder must be filed as a written claim with the Contracting Officer within six months after the cause of action accrues. The claim shall be filed as of the date of receipt by the agency. The claim shall state all grounds upon which the Grantee asserts a controversy exists. If the contractor fails to file a claim or files an untimely claim, the Grantee is deemed to have waived its right to assert a claim in any forum.
- B. The Contracting Officer shall review timely-filed claims and issue a determination, in writing, regarding the claim. The determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the Contracting Officer and the Grantee. The Contracting Officer shall send the written determination to the Contractor. If the Contracting Officer fails to issue a determination within the 120 day period, (unless extended by the consent of the parties), the claim shall be deemed denied. The Contracting Officer’s determination shall be considered to be a decision of a subordinate officer, and shall be appealable to the Agency Head or his or her designee within 10 business days pursuant to 1 Pa. Code § 35.20. The matter before the agency shall be subject to 2 Pa.C.S.A., Ch. 5, Subch. A\_(relating to Practice and Procedure of Commonwealth Agencies), and the rules set out in 1 Pa. Code Part II (relating to General Rules of Administrative Practice and Procedure). The Agency Head shall issue a final order which shall be appealable pursuant to 2 Pa.C.S.A., Ch. 7, Subch. A (relating to Judicial Review of Commonwealth Agency Action).
- C. The remedy set forth in this Paragraph (3) shall be the exclusive remedy for the Grantee to resolve such questions and disputes if the Grantee and the Department are unable to resolve them between themselves. Settlement of disputes under this provision must be prior to the final payment to Grantee.

**4. INDEPENDENT CONTRACTOR.**

The Grantee shall perform its services under this Agreement as an independent contractor and shall provide public liability, property damage and workers' compensation insurance, insuring as they may appear, the interests of all parties to the Agreement against any and all claims which may arise out of Grantee's operations under the terms of this Agreement. The Grantee shall accept full responsibility for the payment of premiums for workers' compensation and social security, as well as all income tax deductions and any other taxes or payroll deductions required by law for its employees who are performing services specified by this Agreement.

**5. DEPARTMENT HELD HARMLESS.**

The Grantee shall hold the Commonwealth (including the Department) its officers, agents and employees, harmless against any and all claims, demands and actions based upon or arising out of any activities performed by the Grantee and its officers, agents and employees under this Grant Agreement, and shall, at the request of the Commonwealth, defend any and all actions brought against the Commonwealth based upon any such claims or demands.

**6. ASSIGNABILITY.**

- A. Subject to the terms and condition of this Paragraph 6, this Grant Agreement shall be binding upon the parties and their respective successors and assignors.
- B. The Grantee may not assign, in whole or in part, this Grant Agreement or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- C. Notwithstanding the foregoing, the Grantee may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Grant Agreement, provided that the Grantee provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Grant Agreement.
- D. For the purposes of this Grant Agreement, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Grantee provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.
- E. Any assignment consented to by the Contracting Officer shall be evidenced by a written assignment Agreement executed by the Grantee and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Grant Agreement and to assume the duties, obligations, and responsibilities being assigned.
- F. A change of name by the Grantee, following which the Grantee's Federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Grantee shall give the Contracting Officer written notice of any such change of name.

**7. SUB-GRANTS.**

Except for those sub-grants specifically authorized by this Grant Agreement, the Grantee shall not enter into sub-grants for any of the work contemplated under this Grant Agreement without obtaining prior written approval of the Department, which shall be attached to the original Grant Agreement, and subject to such conditions and provisions as the Department may deem necessary. PROVIDED, however, that notwithstanding the foregoing, unless otherwise provided herein, such prior written approval shall not be required for the purchase by Grantee of articles, supplies, equipment and services which are both necessary for and merely incidental to the performance of the work required under this Grant Agreement; and PROVIDED, further, however, no provision of this clause and no such approval by the Department of any sub-grant shall be deemed in any event in any manner to provide for the incurrence of any obligation of the Department in addition to the total agreed-upon price.

**8. OTHER GRANTEES OR CONTRACTORS.**

The Department may undertake or award other grant agreements or contracts for additional or related work, and the Grantee shall fully cooperate with other grantees or contractors and Department employees and carefully fit its work to such additional work. The Grantee shall not commit or permit any act which will interfere with the performance of work by any other grantee or contractor or by Department employees.

This Paragraph shall be included in the contracts of all grantees and contractors with whom this Contractor will be required to cooperate. The Department shall equitably enforce this Paragraph as to all grantees and contractors to prevent the imposition of unreasonable burdens on any grantee.

**9. AVAILABILITY OF INFORMATION.**

During the period of this Grant Agreement, all information obtained by the Grantee through work on the project shall be made available to the Department immediately upon demand.

**10. RIGHT TO KNOW LAW.**

- A. The Grantee or sub-grantee understands that this Grant Agreement and records related to or arising out of the Grant Agreement are subject to requests made pursuant to the Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-67.3104, (“RTKL”). For the purpose of these provisions, the term “the Commonwealth” shall refer to the granting Commonwealth agency.
- B. If the Commonwealth needs the Grantee’s or sub-grantee’s assistance in any matter arising out of the RTKL related to this Grant Agreement, it shall notify the Grantee or sub-grantee using the legal contact information provided in the Grant Agreement. The Grantee or sub-grantee, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.
- C. Upon written notification from the Commonwealth that it requires Grantee’s or sub-grantee’s assistance in responding to a request under the RTKL for information related to this Grant Agreement that may be in Grantee’s or sub-grantee’s possession, constituting, or alleged to constitute, a public record in accordance with the RTKL (“Requested Information”), Grantee or sub-grantee shall:
  - (1) Provide the Commonwealth, within 10 calendar days after receipt of written notification, access to, and copies of, any document or information in Grantee’s or sub-grantee’s possession arising out of this Grant Agreement that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and,
  - (2) Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Grant Agreement.
- D. If Grantee or sub-grantee considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that Grantee or sub-grantee considers exempt from production under the RTKL, Grantee or sub-grantee must notify the Commonwealth and provide, within 7 calendar days of receiving the written notification, a written statement signed by a representative of Grantee or sub-grantee explaining why the requested material is exempt from public disclosure under the RTKL.
- E. The Commonwealth will rely upon the written statement from Grantee or sub-grantee in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, Grantee or sub-grantee shall provide the Requested Information within 5 business days of receipt of written notification of the Commonwealth’s determination.
- F. If Grantee or sub-grantee fails to provide the Requested Information within the time period required by these provisions, Grantee or sub-grantee shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of Grantee’s or sub-grantee’s failure, including any statutory damages assessed against the Commonwealth.
- G. The Commonwealth will reimburse Grantee or sub-grantee for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.
- H. Grantee or sub-grantee may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts; however, Grantee or sub-grantee shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of

such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of Grantee's or sub-grantee's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, Grantee or sub-grantee agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.

- I. The Grantee's or sub-grantee's duties relating to the RTKL are continuing duties that survive the expiration of this Grant Agreement and shall continue as long as the Grantee or sub-grantee has requested information in its possession.

## **11. FISCAL AND PROGRAM RECORDS.**

- A. The Grantee agrees to maintain program and fiscal records required by the Department. For purposes of this Grant Agreement, "fiscal and program records" shall include, but not be limited to, books, records, documents, sub-grants or sub-contracts and other evidence pertaining to the costs and expenses of this Agreement, records relating services being provided, statistical information collected in the course of performing services, policies and procedures, information relating to staff and job descriptions, and all information necessary for the Grantee to perform the work required under the Grant Agreement. The Grantee agrees that a program and facilities review, including meetings with consumers, review of service records, review of service policy and procedural issuances, review of staffing ratios and job descriptions, and meetings with any staff directly or indirectly involved in the provision of services may be conducted at any reasonable time by state and Federal personnel and other persons duly authorized by the Department.
- B. The Grantee agrees to maintain statistical records required by the Department to produce program narrative and statistical data at times prescribed by, and on forms furnished by the Department.
- C. The Grantee agrees to maintain fiscal records to the extent and in such detail as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services and other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this Grant Agreement. If contractor is not a public body, contractor agrees to maintain books, records, documents and other evidence in accordance with accounting procedures and practices which meet generally accepted accounting principles.
- D. If this Grant Agreement provides funding for a clinic or program which receives income or funding other than directly through this Grant Agreement (such as, but not limited to, third party reimbursement for patients), the Grantee agrees that all parts of this Paragraph 11 of these Standard General Terms and Conditions shall also apply to contractor's records pertaining to such other sources of funding or income supporting the clinic or program.
- E. The Grantee agrees to make available at the Office of the Grantee at all reasonable times during the term of this Grant Agreement and the period set forth in Paragraph 12 below, any of the records for inspection, audit or reproduction by any authorized representative of the Department, the Department's Comptroller, the Auditor General, the Inspector General or Federal auditors.
- F. The provisions of this Paragraph 11 shall be applicable to and included in each sub-grant or sub-contract entered into by the Grantee in the performance of this Grant Agreement.
- G. The Grantee agrees to collect statistical data of a fiscal nature on a regular basis and to make fiscal statistical reports at times prescribed by, and on forms furnished by the Department.

## **12. RECORD RETENTION REQUIREMENTS.**

All records kept pursuant to Paragraph 11 shall be retained pursuant to the provisions of this Paragraph 12.

- A. The Contractor shall preserve and make available its records for a period of 4 years from the date of final payment under this Agreement, and for such period, if any, as is required by applicable statute, by any

other Paragraph of this Agreement, or by sub-paragraphs (1) or (2) below.

- (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of 5 years from the date of any resulting final payment.
- (2) Records which relate to litigation or the settlement of claims arising out of the performance of this Agreement, or costs and expenses of this Agreement as to which exception has been taken by the auditors, shall be retained by the Contractor until such litigation, claims, or exceptions have been disposed of.

B. Except for the records described in sub-paragraph A(2) above, the Contractor may, in fulfillment of its obligation to retain its records as required by this Paragraph, substitute photographs, microphotographs, or other authentic reproductions of such records, after the expiration of 2 years following the last day of the month of reimbursement to the Contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Department, with the concurrence of the auditors.

### **13. FEDERAL FUNDS.**

The Grantee certifies that the Federal funds provided by this Agreement do not replace or supplant in any way any other funds, whether state, local or private, being used to provide already existing services. The Grantee further certifies that the services to be provided under this Agreement are not already available without cost. The Grantee further certifies that the addition of Federal funds will result in a commensurate program expansion.

### **14. QUALITY ASSURANCE.**

Unless otherwise provided herein, the Grantee, with due diligence, shall furnish all necessary qualified personnel, material and equipment, managing and directing same to complete the work required by this Grant Agreement. The Grantee's work hereunder shall be monitored by the Project Officer and the Project Officer's designated representatives. If requested by the Department, The Grantee shall produce or provide special reports to the Department in a timeframe and format specified by the Department.

### **15. PROGRAM CHANGES.**

The Project Officer may at any time, by written order, make changes in the statement of work, provided such changes are within the general scope of the statement of work and provided further that the total cost of this Grant Agreement is not exceeded. The Project Officer and the Grantee shall mutually determine whether the ordered changes can be accomplished within the total Grant Agreement cost and the extent of change, if any, in delivery schedules required by the ordered changes. Failure of the Project Officer and the Grantee to arrive at such mutual determinations shall be a dispute concerning a question of fact within the meaning of the Paragraph 2 of this Appendix entitled "Grant Construction." The Project Officer may not change the scope of work or increase the total cost of this Grant Agreement.

### **16. WRITTEN COMMITMENT.**

Any written commitment or representation of the Grantee made within the scope of this Agreement shall, if accepted by the Project Officer in writing, be binding upon the Grantee and shall be incorporated as a part of this Grant Agreement.

### **17. KEY PERSONNEL.**

The personnel specified in this Grant Agreement are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified individuals to other programs, the Grantee shall notify the Project Officer reasonably in advance and shall submit justification including proposed substitutions, in sufficient detail to permit evaluation of the impact on the program. No diversion shall be made by the Grantee without the written consent of the Project Officer.

**18. INSPECTION AND ACCEPTANCE.**

Final inspection and acceptance of all work required under this Grant Agreement shall be performed by the Project Officer.

**19. TRAVEL AND SUBSISTENCE COSTS.**

The Department shall not be liable for travel or subsistence costs except as specifically set forth in this Grant Agreement.

**20. OWNERSHIP RIGHTS.**

- A. Definition: The term "data," as used herein, includes but is not necessarily limited to written reports and analyses, diagrams, maps, system designs, computer programs, flow charts, software, magnetic tapes, diskettes, drawings, studies, manuals, brochures, advertisements, documents, sketches, papers, files, information, computer documentation, other tangible materials, and work of any similar nature which is required to be performed by or for the Contractor under this Grant Agreement or which is incidentally prepared by or for the Contractor in the performance of this Grant Agreement. Data includes background material prepared by or for the Contractor incidental to the performance of this Grant Agreement. Background material is defined as original work papers, notes, and drafts prepared by or for the Contractor to support conclusions in any final report or product delivered under this Grant Agreement, including but not limited to completed questionnaires and material in electronic data processing form, computer programs, and other tangible materials produced by or for the Contractor during the term of this Grant Agreement and directly related to the services being rendered. It does not include Contractor's financial reports or other information incidental to the administration of this Grant Agreement.
- B. Preexisting Materials Brought by Contractor to the Project: The Department shall have no ownership rights to Contractor's data, proprietary materials, methodologies or other intellectual property that Contractor brings to the Project or has previously developed with or obtained from third parties. Contractor shall provide a list of all preexisting data, proprietary materials, methodologies or other intellectual property in connection with the Grant Agreement prior to starting work. Notwithstanding the foregoing provision, where materials brought by the Contractor to the Project are necessary to use the deliverables required under this Grant Agreement, the Contractor shall, and hereby effectively does, grant to the Department a paid-up, nonexclusive, nontransferable license to use, modify, prepare derivative works, and to grant to third parties engaged by the Commonwealth the right to use, modify, and prepare derivative works, from all or any portion of the material brought by the Contractor to the Project.
- C. Ownership of Data: Any Data that fits the definition of "work made for hire," as that term is defined in United States copyright law, shall be considered a "work made for hire." All rights to these Data shall vest in the Department, which shall have sole and exclusive ownership of all Data. In the event that such Data do not fall within the specifically enumerated works that constitute "works made for hire" under the United States copyright laws, Contractor agrees to assign and, upon their authorship or creation, expressly and automatically assigns all copyright interests, proprietary rights, trade secrets, and other right, title and interest in and to such Data to the Department. The Department shall have the rights accorded a holder of copyright under the United States copyright laws including, but not limited to, the exclusive right to reproduce the Data in copies, the right to distribute copies by sale or other transfers, the right to register all copyrights in its own name as author in the United States and foreign countries, the right to prepare derivative works based upon the Data, and the right to display the Data. Upon completion or termination of this Agreement, Contractor shall immediately deliver all working papers, files, background material, and other documentation to the Department. Contractor warrants that the Data are original and do not infringe the rights of any other work.
- D. Data Processing: All computer programs, tapes, and software developed under this Agreement, and any data or information provided to the Department by diskette or electronic means, shall be compatible with Department computer systems. Specifications, if not included elsewhere in this Agreement, may be obtained from the Project Officer.

- E. Federal Government Interests: It is understood that certain funding under this Agreement may be provided by the Federal Government. Accordingly, the rights to Data of Contractors or sub-contractors hereunder will be further subject to government rights as set forth in 37 C.F.R. § 401, and other applicable statutes. Notwithstanding the foregoing, the Department retains the right to share information with the Federal Government relating to Data developed under a wholly state-funded Grant Agreement.
- F. Defense of Infringement Claim: The Contractor shall hold the Commonwealth harmless for any suit or proceeding brought against the Commonwealth, including the Department, or their officials or employees, on account of any alleged infringement of any United States or foreign copyrights, patents, trademarks, or trade secrets arising out of the performance of this Agreement, including any suit or proceeding relating to all work, services, materials, reports, studies and computer programs provided by the Contractor. The Contractor shall pay all damages and costs awarded therein against the Commonwealth. Pursuant to the Commonwealth Attorney's Act 71 P.S. §§ 732 – 101, et seq., the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under the terms it deems appropriate, delegate its right of defense. If information and assistance are furnished by the Commonwealth at Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written request. If any of the data, materials, reports, studies or computer programs provided by the Contractor are held to constitute infringement, and the use of publication thereof is enjoined in such suit or proceeding, the Contractor shall, at its own expense and at its option, either procure the right to publish or continue use of such infringing data, materials, reports, studies or computer programs, replace them with non-infringing items, or so modify them so that they are no longer infringing. If after a reasonable time and good faith effort, the Contractor is unable to comply with the requirements of the immediately preceding sentence, the Contractor shall return to the Department that portion of Grant Agreement funds expended by the Contractor in relation to the infringing item. The obligations of the Contractor under this Paragraph continue without time limit.

**21. Department Approval and Attribution.**

- A. All printed material is subject to written preapproval by the Department. "Printed material" includes, but is not limited to, notices, informational pamphlets, press releases, research reports, brochures, manuals, labels, newsletters, artwork, and print advertisements. All printed material must bear the Department logo and the names and titles of the Governor and the Secretary of the Department of Drug and Alcohol Programs unless otherwise authorized in writing by the Department's Contracting Officer. All material produced for radio and television must also be approved for quality of content and accreditation in writing by the Department's Contracting Officer prior to final production as well as after final production.
- B. Department attribution shall be at the Department's sole discretion. If the Department requires attribution on printed materials, the Contractor shall include the following statement on printed materials released by the Contractor: "This project is funded, in part, under a Grant Agreement with the Pennsylvania Department of Drug and Alcohol Programs. Basic data for use in this study were supplied by the Pennsylvania Department of Drug and Alcohol Programs, Harrisburg, Pennsylvania. The Department takes no part in and is in no way responsible for any analyses, interpretations or conclusions," or another statement approved by the Department. If the Department requires attribution on materials produced for radio and television, the Contractor shall include a statement approved by the Department.

**22. FORMS APPROVAL.**

All forms, questionnaires, survey instruments, etc., developed under this Grant Agreement shall be subject to prior written approval by the Department.

**23. CONFIDENTIALITY, SENSITIVE DOCUMENTS AND INFORMATION.**

- A. The Grantee shall maintain the confidentiality of medical records of individuals served by the Grantee under this Agreement except to disclose such confidential information to the Department for purposes of

consultation or the Department's monitoring of this Agreement.

- B. Sensitive Information: The Grantee shall not publish or otherwise disclose, except to the Department and except matters of public record, any information or data obtained hereunder from private individuals, organizations, or public agencies, in a publication whereby the information or data furnished by or about any particular person or establishment can be identified, except with the informed consent of such person or establishment.
- C. The Grantee shall not release any sensitive documents or information without the prior written approval of the Department. The term "sensitive documents or information" shall mean a document or information that contains the description, design, operational plan, or other vital information about a critical facility or infrastructure located in Pennsylvania and bordering states (e.g., nuclear power plants, hazardous chemical plant, oil refinery, bridge, dam, tunnel, etc.), or contains information about the operational protocols or emergency response capabilities of state and local agency personnel, the content of which could be used by a terrorist or enemy of the United States to plan an attack upon a critical facility located in Pennsylvania and bordering states or engage in other activities that could cause death or injury to fire, police, medical, military, or other emergency response personnel, public officials, or the general public.

#### **24. COLLECTION OR RECORDING OF INFORMATION.**

The Grantee shall submit to the Project Officer for written approval prior to use, copies of each questionnaire and survey plan, including plans for structured interviews and consultations, for the collection of information upon identical items from five or more individuals or organizational elements. The term "structured interview and consultation" is defined as an interview or consultation which follows a pre-designed line of questioning that takes approximately the same form for all the respondents being interviewed or consulted.

#### **25. INTERESTS OF MEMBERS OF THE COMMONWEALTH AND OTHERS.**

No officer, member or employee of the Commonwealth and no member of its General Assembly, who exercises any functions or responsibilities under this Agreement, shall participate in any decision relating to this Agreement which affects that person's personal interest or the interest of any corporation, partnership, or association in which that person is, directly or indirectly, interested; nor shall any such officer, member or employee of the Commonwealth or member of its General Assembly have any interest, direct or indirect, in this Agreement or the proceeds thereof.

#### **26. INTEREST OF GRANTEE.**

The Grantee covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Grantee further covenants that in the performance of this Agreement, it shall not knowingly employ any person having such interest. Grantee further certifies that no member of the board of the Grantee or any of its officers or directors have such an adverse interest.

#### **27. DEFAULT AND TERMINATION.**

- A. The Department may, subject to the provisions of sub-paragraph C below, by written notice of default to the Grantee, immediately terminate upon such terms as said notice shall set forth, the whole or any part of this Agreement in any one of the following circumstances:
  - (1) If the Grantee fails to perform the services within the time specified herein or any extension thereof; or,
  - (2) If the Grantee fails to perform any of the other provisions of this Agreement, or so fails to make progress as to endanger its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as the Department may authorize in writing) after receipt of notice from the Department specifying such failure.



- B. In the event the Department terminates this Agreement in whole or in part as provided in sub-paragraph A above, the Department may procure, upon such terms and in such manner as the Project Officer may deem appropriate, services similar to those so terminated and the Grantee shall be liable to the Department for any excess costs for such similar services, provided that the Grantee shall continue the performance of this Agreement to the extent not terminated under the provisions of this Paragraph 27.
- C. Except with respect to defaults of sub-grantees, the Grantee shall not be liable for any excess costs if the failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of the Grantee. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Commonwealth of Pennsylvania in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restriction, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Grantee. If the failure to perform is caused by the default of a sub-grantee, and if such default arises out of causes beyond the control of both the Grantee and sub-grantee and without the fault or negligence of either of them, the Grantee shall not be liable unless the services to be furnished by the sub-grantee were obtainable from other sources in sufficient time to permit the Grantee to meet the required delivery schedule.
- D. If this Agreement is terminated as provided in sub-paragraph A above, the Department shall require the Grantee to transfer title and deliver to the Department such partially completed reports or other documentation as the Grantee has produced under this Agreement. Payments for completed reports and other documentation delivered to and accepted by the Department shall be at the Agreement price. Payment for partially completed reports and other documentation delivered to and accepted by the Department shall be in an amount agreed upon by the Grantee and the Project Officer. Failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of Paragraph 2 of this Appendix entitled "Grant Agreement Construction." The Department may withhold from amounts otherwise due the Grantee for such completed or partially completed reports or other documentation such sum as the Department determines to be necessary to protect it against loss because of outstanding liens or claims of former lien holders.
- E. The rights and remedies of the Department provided in this Paragraph 27 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Grant Agreement.
- F. The Department may cancel this Grant Agreement, in whole or in part, at any time for the convenience of the Commonwealth by giving written notice to the Grantee. Should the Department exercise its rights under this clause, the Department will pay the Grantee for all work done by the Grantee under this Agreement until such time as the Department sets forth in its written notice to Grantee.
- G. Should the Grantee become insolvent, or if proceedings in bankruptcy shall be instituted by or against the Grantee, the remaining or unexpired portion of this Agreement may, at the election of the Department, be terminated.
- H. In addition, this Agreement may be cancelled by either party upon 30 days advance written notice.

**28. GRANT AGREEMENT CONTINGENT UPON LEGISLATIVE APPROPRIATION.**

Payment hereunder is subject to the availability of state and/or Federal funds.

**29. AVAILABILITY OR SUFFICIENCY OF DEPARTMENT FUNDS.**

In addition to any other termination provision within this Grant Agreement, the Department may terminate this Grant Agreement at any time in the event funds, including, but not limited to, Federal program funds, become unavailable or are insufficient for Department program purposes. In such case, the Department will provide the Grantee with advance notice to the extent reasonable and possible under the circumstances to either terminate the Grant Agreement overall, or suspend all or a portion of such Grant Agreement as determined by the Department and set forth in its notice to the Grantee. The Department will pay the Grantee for satisfactory work completed up until such termination or outside such suspension period, but in no event shall the Grantee be

entitled to receive loss of profits.

**30. COVENANT AGAINST CONTINGENT FEES.**

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an Agreement or understanding for commission, percentage, brokerage or contingent fee (excepting bona fide employees or bona fide established commercial selling agencies maintained by the Grantee for the purpose of securing business). For breach or violation of this warranty, the Commonwealth shall have the right to annul this Grant Agreement without liability or, in its discretion, to deduct from the consideration otherwise due under this Grant Agreement, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

**31. ENVIRONMENTAL PROTECTION.**

In carrying out this Grant Agreement, the Grantee shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations.

**32. EQUAL EMPLOYMENT OPPORTUNITY.**

- A. The Grantee shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, or sex. The Grantee shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, or sex. Such affirmative action shall include, but is not limited to: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. The Grantee shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.
- B. The Grantee shall, in advertisements or requests for employment placed by it or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, or sex.
- C. The Grantee shall send each labor union or workers' representative with which it has a collective bargaining Agreement or other Grant Agreement or understanding, a notice advising said labor union or workers' representative of its commitment to this nondiscrimination clause. Similar notice shall be sent to every other source of recruitment regularly utilized by the Grantee.
- D. It shall be no defense to a finding of noncompliance with this nondiscrimination clause that the Grantee had delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the Grantee was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanction.
- E. Where the practices of a union or training program or other source of recruitment will result in the exclusion of minority group persons, so that the Grantee will be unable to meet its obligations under this nondiscrimination clause, the Grantee shall then employ and fill vacancies through other nondiscriminatory employment procedures.
- F. The Grantee shall comply with all state and Federal laws prohibiting discrimination in hiring or employment opportunities. In the event of the Grantee's noncompliance with the nondiscrimination clause of this Agreement or with any such laws, this Agreement may be terminated or suspended, in whole or in part, and the Grantee may be declared temporarily ineligible for further Commonwealth contracts or grant agreements, and other sanctions may be imposed and remedies invoked.
- G. The Grantee shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the Department and the Office of Administration, Office of Equal

Employment Opportunity, for purposes of investigation to ascertain compliance with the provisions of this clause. If the Grantee does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the Department or the Office of Equal Employment Opportunity.

- H. The Grantee shall actively recruit minority sub-grantees or sub-grantees with substantial minority representation among their employees.
- I. The Grantee shall include the provisions of this nondiscrimination clause in every sub-grant or sub-contract, so that such provisions will be binding upon each sub-grantee.
- J. The Grantee obligations under this clause are limited to the Grantee's facilities within Pennsylvania, or where the Grant Agreement is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

### **33. EQUAL OPPORTUNITY FOR THE HANDICAPPED.**

- A. The Grantee agrees to abide by Section 504 of the Rehabilitation Act of 1973, as amended (Public Law 93-112, 29 U.S.C. § 794, as amended) and implementing Federal regulations. The Grantee assures that any benefits, services, or employment, available through the Grantee to the public by way of this Grant Agreement's funds, shall not be denied persons with handicaps who are otherwise qualified or eligible for the benefits, services, or employment available as a result of this Grant Agreement.
- B. The Grantee shall include the provisions of sub-paragraph A above in every sub-grant or sub-contract under this Grant Agreement so that such provision binds each sub-grantee.

### **34. PROVISIONS CONCERNING THE AMERICANS WITH DISABILITIES ACT.**

During the term of this Agreement, the Grantee agrees as follows:

- A. Pursuant to Federal regulations promulgated under the authority of the Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., the Grantee understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in this Grant Agreement or from activities provided for under this Agreement. As a condition of accepting and executing this Grant Agreement, the Grantee agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to the benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.
- B. The Grantee shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Grantee's failure to comply with the provisions of sub-paragraph A above.
- C. The contractor shall include the provisions of sub-paragraph A above in every Sub-grant under this Agreement so that such provision binds each sub-grantee.

### **35. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE.**

The Grantee agrees:

- A. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the grant agreement or any subgrant agreement, contract, or subcontract, the Grantee, a subgrantee, a contractor, a subcontractor, or any person acting on behalf of the Grantee shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the *Pennsylvania Human Relations Act* (PHRA) and applicable federal laws, against any

citizen of this commonwealth who is qualified and available to perform the work to which the employment relates.

- B. The Grantee, any subgrantee, contractor or any subcontractor or any person on their behalf shall not in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, against or intimidate any of its employees.
- C. Neither the Grantee nor any subgrantee nor any contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, in the provision of services under the grant agreement, subgrant agreement, contract or subcontract.
- D. Neither the Grantee nor any subgrantee nor any contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against employees by reason of participation in or decision to refrain from participating in labor activities protected under the *Public Employee Relations Act*, *Pennsylvania Labor Relations Act* or *National Labor Relations Act*, as applicable and to the extent determined by entities charged with such Acts' enforcement, and shall comply with any provision of law establishing organizations as employees' exclusive representatives.
- E. The Grantee, any subgrantee, contractor or any subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees in writing of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the grant services are performed shall satisfy this requirement for employees with an established work site.
- F. The Grantee, any subgrantee, contractor or any subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, against any subgrantee, contractor, subcontractor or supplier who is qualified to perform the work to which the grant relates.
- G. The Grantee and each subgrantee, contractor and subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws and regulations relating to nondiscrimination and sexual harassment. The Grantee and each subgrantee, contractor and subcontractor further represents that it has filed a Standard Form 100 Employer Information Report ("EEO-1") with the U.S. Equal Employment Opportunity Commission ("EEOC") and shall file an annual EEO-1 report with the EEOC as required for employers' subject to *Title VII* of the *Civil Rights Act of 1964*, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Grantee, any subgrantee, any contractor or any subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the granting agency and the Bureau of Diversity, Inclusion and Small Business Opportunities for the purpose of ascertaining compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause.
- H. The Grantee, any subgrantee, contractor or any subcontractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subgrant agreement, contract or subcontract so that those provisions applicable to subgrantees, contractors or subcontractors will be binding upon each subgrantee, contractor or subcontractor.
- I. The Grantee's and each subgrantee's, contractor's and subcontractor's obligations pursuant to these provisions are ongoing from and after the effective date of the grant agreement through the termination date thereof. Accordingly, the Grantee and each subgrantee, contractor and subcontractor shall have an obligation to inform the commonwealth if, at any time during the term of the grant agreement, it becomes aware of any actions or occurrences that would result in violation of these provisions.

- J. The commonwealth may cancel or terminate the grant agreement and all money due or to become due under the grant agreement may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the granting agency may proceed with debarment or suspension and may place the Grantee, subgrantee, contractor, or subcontractor in the Contractor Responsibility File.

**36. ADDITIONAL PROVISIONS RELATING TO NONDISCRIMINATION/ SEXUAL HARASSMENT.**

The Grantee agrees:

- A. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the Contract or any sub-contract, the Contractor each sub-contractor, or any person acting on behalf of the Contractor or sub-contractor shall not discriminate, by reason of religion, age, , handicap or national origin against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- B. Neither the Contractor nor any sub-contractor or any person on their behalf shall in any manner discriminate against or intimidate any of its employees on account of religion, age, handicap or national origin.
- C. The Grantee, any sub-grantee, contractor or any sub-contractor shall not discriminate by reason of religion, age, , handicap or national origin against any sub-grantee, contractor, sub-contractor or supplier who is qualified to perform the work to which the contracts relates.
- D. The Contractor and any sub-contractors shall ensure that any services or benefits available to the public or other third parties by way of this Contract shall not be denied or restricted for such persons due to race, creed, color, religion, gender, sexual orientation, gender identity or expression, age, handicap, or national origin (national origin protections include persons who are limited English proficient) consistent with the provisions of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act and The Age Discrimination Act of 1975, as well as applicable provisions of the Omnibus Reconciliation Act of 1981.
- E. The Contractor and each sub-contractor shall furnish all necessary employment documents and records to and permit access to its books, records, and accounts by the Contracting Officer and the Department of General Services' Bureau of Diversity, Inclusion and Small Business Opportunities for purposes of investigation to ascertain compliance with the provisions of this Additional Provisions relating to Nondiscrimination/Sexual Harassment Clause. If the Contractor or any sub-contractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the Contracting Officer or the Bureau of Diversity, Inclusion and Small Business Opportunities. .
- F. The Commonwealth may cancel or terminate the Grant Agreement and all money due or to become due under the Grant Agreement may be forfeited for a violation of the terms and conditions of this Paragraph 36, Additional Provisions Relating to Nondiscrimination/Sexual Harassment Clause. In addition, the granting agency may proceed with debarment or suspension and may place the Grantee, subgrantee, Contractor, or subcontractor in the Contractor Responsibility File.

**37. DISPOSITION OF EQUIPMENT AND OTHER MATERIAL.**

- A. The Grantee agrees to obtain all supplies and equipment for use in the performance of this Agreement at the lowest practicable cost and to purchase by means of a system of competitive bidding.
- B. Title to all property furnished by the Department shall remain with the Department. Title to all personal property acquired by the Grantee, including purchase by lease-purchase agreement, for the cost of which the Grantee is to be reimbursed under this Agreement, shall vest in the Grantee during the term of this Agreement. Upon cancellation or termination of this Agreement, such purchased personal property which

has remaining useful life shall become the property of the Department, or at the election of and with written approval of the Department, may be disposed of by the Grantee in accordance with the following provisions:

- (1) If the Grantee wishes to retain any items of such purchased property, both parties will arrange for an independent third-party appraisal of these property items and the Grantee will reimburse the Department for the value of the remaining useful life of the property on the basis of such appraisal. Unless otherwise agreed upon in writing by the Department, the Grantee shall be responsible for the cost of appraisal.
  - (2) Provided the Department is notified 10 days in advance of the date of the sale and the Grantee has the prior written permission of the Department and the approval of the Governor's Office of Budget, Grantee may sell the property. Grantee shall reimburse the Department for the Department's appropriate share.
- C. All property furnished by the Department or personal property acquired by the Grantee, including purchase by lease-purchase Agreement, for which the Grantee is to be reimbursed under this Agreement shall be deemed Commonwealth property for the purpose of sub-paragraphs D, E, and F of this Paragraph.
  - D. Grantee shall maintain and administer in accordance with sound business practices a program for the maintenance, repair, protection, preservation and insurance of Commonwealth property so as to assure its full availability and usefulness.
  - E. The Commonwealth property and any property purchased under this Agreement shall, unless otherwise provided herein, or approved in writing by the Department and the Governor's Office of Budget, be used only for the performance of this Agreement.
  - F. In the event that Grantee is indemnified, reimbursed or otherwise compensated for any loss or destruction of or damage to the Commonwealth's property, Grantee shall use the proceeds to repair, renovate or replace the Commonwealth property involved, or shall credit such proceeds against the cost of the work covered by the Agreement, or shall otherwise reimburse the Department as directed by the Department.
  - G. Should the Grantee purchase equipment pursuant to this Agreement, the Grantee shall complete the Department's Equipment Inventory Form and return it to the Department with the Grantee's invoice which seeks reimbursement for such equipment under this Agreement. The Department will provide the Grantee with the form when this Agreement provides for the purchase of equipment.

### **38. GENERIC DRUGS.**

If under this Agreement the Grantee prescribes or dispenses drugs to consumers, it shall do so in accordance with Act 1976-259, 35 P.S. §§ 960.1, et seq., as amended, and prescribe and dispense generically equivalent drugs rather than brand name drugs whenever possible.

### **39. EXTENSION RIGHT.**

The Commonwealth reserves the right, upon notice to the Grantee, to extend the term of the Grant Agreement for up to 3 months upon the same terms and conditions.

### **40. CONTRACTOR INTEGRITY PROVISIONS.**

It is essential that those who seek to contract with the Commonwealth of Pennsylvania ("Commonwealth") observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

- A. **DEFINITIONS.** For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:

- (1) "Affiliate" means two or more entities where (a) a parent entity owns more than 50 percent of the voting stock of each of the entities; or, (b) a common shareholder or group of shareholders owns more than 50 percent of the voting stock of each of the entities; or, (c) the entities have a common proprietor or general partner.
- (2) "Consent" means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this Contract.
- (3) "Contractor" means the individual or entity, that has entered into this Contract with the Commonwealth.
- (4) "Contractor Related Parties" means any affiliates of the Contractor and the Contractor's executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.
- (5) "Financial Interest" means either:
  - (a) Ownership of more than a 5 percent interest in any business; or
  - (b) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
- (6) "Gratuity" means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the Governor's Code of Conduct, Executive Order 2015-1, 4 Pa. Code § 7.153(b), shall apply.
- (7) "Non-bid Basis" means a contract awarded or executed by the Commonwealth with contractor without seeking bids or proposals from any other potential bidder or offeror.

B. In furtherance of this policy, Contractor agrees to the following:

- (1) Contractor shall maintain the highest standards of honesty and integrity during the performance of this Contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.
- (2) Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lit places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
- (3) Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this Contract, except as provided in this Contract.
- (4) Contractor shall not have a financial interest in any other contractor, sub-contractor, or supplier providing services, labor, or material under this Contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the Contract. Contractor shall disclose the financial interest to the

Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the Contract signed by Contractor.

- (5) Contractor certifies to the best of its knowledge and belief that within the last 5 years Contractor or Contractor Related Parties have not:
  - (a) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
  - (b) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;
  - (c) had any business license or professional license suspended or revoked;
  - (d) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and,
  - (e) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the Contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the Contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the Contract.

- (6) Contractor shall comply with the requirements of the Lobbying Disclosure Act (65 Pa. C.S. §§ 13a01, et seq.) regardless of the method of award. If this Contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the Section 1641 of the Pennsylvania Election Code (25 P.S. § 3260(a).)
- (7) When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth Contracting Officer or the Office of the State Inspector General in writing.
- (8) Contractor, by submission of its bid or proposal and/or execution of this Contract and by the submission of any bills, invoices or requests for payment pursuant to the Contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the Contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other Agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- (9) Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified



Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this Contract. Contractor shall incorporate this paragraph in any Agreement, contract or sub-contract it enters into in the course of the performance of this Contract/Agreement solely for the purpose of obtaining sub-contractor compliance with this provision. The incorporation of this provision in a sub-contract shall not create privity of contract between the Commonwealth and any such sub-contractor, and no third party beneficiaries shall be created thereby.

- 10) For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other Contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another Contractor to complete performance under this Contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

#### **41. CONTRACTOR RESPONSIBILITY PROVISIONS.**

For the purpose of these provisions, the term Contractor is defined as any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction or other activity, under a contract, grant agreement, lease, purchase order or reimbursement Agreement with the Commonwealth of Pennsylvania (Commonwealth). The term Contractor includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

- A. The Contractor certifies, in writing, for itself and its sub-contractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such sub-contractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
- B. The Contractor also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.
- C. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the Contractor, any of its sub-contractors are suspended or debarred by the Commonwealth, the Federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
- D. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the Federal government shall constitute an event of default of the Contract with the Commonwealth.
- E. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other Agreement between the Contractor and the Commonwealth that results in the suspension

or debarment of the Contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

- F. The Contractor may search the current list of suspended and debarred Commonwealth contractors by visiting the eMarketplace website at <http://www.emarketplace.state.pa.us> and clicking the Debarment List tab.

**42. GRANTEE OFFSET PROVISION.**

The Grantee agrees that the Commonwealth of Pennsylvania (Commonwealth) may set off the amount of any state tax liability or other obligation of the Grantee or its subsidiaries to the Commonwealth against any payments due the Grantee under any Grant Agreement with the Commonwealth.

**43. ASSIGNMENT OF ANTITRUST CLAIMS.**

The Grantee and the Commonwealth recognize that in actual economic practice, overcharges by the Grantee's suppliers resulting from violations of state and Federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of this Grant Agreement, and intending to be legally bound, the Grantee assigns to the Commonwealth all right, title and interest in and to any claims the Grantee now has or may hereafter acquire under state or Federal antitrust laws relating to the goods or services which are the subject of this Grant Agreement.

**44. LAWS AND REGULATIONS.**

This Grant Agreement is subject to the provisions of all pertinent Federal, state, and local laws and regulations and all amendments made thereto. Definitions of service, eligibility of recipients of service, and other limitations on the purchase of the services established in this Grant Agreement are subject to modification by amendments to Federal, state and local laws and regulations without further notice to the Grantee.

**45. CORPORATE PRACTICE OF MEDICINE DOCTRINE.**

The Grantee shall comply with and not violate the corporate practice of medicine doctrine.

**46. HUMAN RESEARCH.**

The Grantee agrees that all human subject research (which includes but is not limited to the researcher obtaining identifiable private information or data through intervention or interaction with an individual) shall be prohibited unless the Grantee also certifies that prior written approval of its own or another Institutional Review Board (IRB) has been obtained or the research has been exempted, subject to all applicable laws, including but not limited to: 42 U.S.C. § 3515(b) (relating to prohibitions on funding certain experiments involving human participants) and the regulations there under. Voluntary, informed consent of each subject shall be obtained. If the subject is a minor, or incompetent, the voluntary, informed consent of his or her legal guardian shall be required. The Grantee shall inform each potential subject prior to his or her consent that refusal will not result in the loss of any benefits to which the subject is otherwise entitled from the Federal government, the Commonwealth, the Grantee, any Sub-grantee, or any third party insurer. Additionally, the Grantee agrees that all human subject research funded under this Grant Agreement shall be submitted for review and approval to the Department of Health IRB on form number HD 1013F prior to the onset of research.

**47. INTEGRATION CLAUSE.**

The parties agree that this Grant Agreement constitutes the entire Contract.

**48. REPORTING REQUIREMENTS UNDER THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA).**

**A. Registration and Identification Information**

The Grantee must maintain current registration in the Central Contractor Registration ([www.ccr.gov](http://www.ccr.gov)) at all times during which they have active Federal awards funded pursuant to this Agreement. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number ([www.dnb.com](http://www.dnb.com)) is one of the requirements for registration in the Central Contractor Registration.

The Grantee must provide its assigned DUNS number, and DUNS + 4 number if applicable, to the Commonwealth along with Grantee's return of the signed Grant Agreement. The Commonwealth will not process this Grant Agreement until such time that the Grantee provides this information.

**B. Primary Location**

The Grantee must provide to the Commonwealth the primary location of performance under the award, including the City, State, and Zip+4. If performance is to occur in multiple locations, then the Grantee must list the location where the most amount of the grant award is to be expended pursuant to this Grant Agreement.

The Grantee must provide this information to the Commonwealth along with the Grantee's return of the signed Grant Agreement. The Commonwealth will not process this Grant Agreement until such time that Grantee provides this information.

**C. Compensation of Officers**

The Grantee must provide to the Commonwealth the names and total compensation of the 5 most highly compensated officers of the entity **if—**

- (1) the entity in the preceding fiscal year received:
  - (a) 80 percent or more of its annual gross revenues in Federal awards; and,
  - (b) \$25,000,000 or more in annual gross revenues from Federal awards; and,
- (2) the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under § 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986 (26 U.S.C. § 6104).

If the Grantee does not meet the conditions listed above, then it must specifically affirm to the Commonwealth that the requirements of this clause are inapplicable to the Grantee.

The Grantee must provide information responding to this question along with the Grantee's return of the signed Grant Agreement. The Commonwealth will not process this Grant Agreement until such time that Grantee provides such information responding to this question.

## APPENDIX D

### HIPPA BUSINESS ASSOCIATE APPENDIX

#### COMMONWEALTH OF PENNSYLVANIA BUSINESS ASSOCIATE APPENDIX

##### Health Insurance Portability and Accountability Act (HIPAA) Compliance

**WHEREAS**, the Pennsylvania Department of Drug and Alcohol Programs (Covered Entity) and the Grantee (Business Associate), intend to protect the privacy and provide for the security of certain Protected Health Information (PHI) to which Business Associate may have access in order to provide goods or services to or on behalf of Covered Entity, in accordance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009, Public Law 111-5, the HIPAA Privacy Rule (Privacy Rule) modifying 45 CFR Parts 160 and 164, and the HIPAA Security Rule (Security Rule), modifying 45 CFR Parts 160, 162 and 164.

**WHEREAS**, Business Associate may receive PHI in any format including electronic form, from Covered Entity, or may create or obtain PHI from other parties for use on behalf of Covered Entity, which PHI must be handled, disclosed or used only in accordance with this Agreement, and the standards established by the HIPAA Rules.

**NOW, THEREFORE**, the Covered Entity and Business Associate agree as follows:

1. **Definitions.** The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information (PHI), Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

##### **Specific Definitions:**

- a. **“Business Associate”** shall have the same meaning as the term “business associate” at 45 CFR §160.103.
  - b. **“Covered Entity”** shall have the same meaning as the term “covered entity” at 45 CFR §160.103.
  - c. **“HIPAA Rules”** shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and 164.
2. **Changes in Law.** Business Associate shall comply with any changes in the HIPAA Rules by the compliance date established by any such changes and shall provide the Covered Entity with written certification of such compliance.
  3. **Stated Purposes For Which Business Associate May Use Or Disclose PHI.** Except as otherwise limited in this Agreement, Business Associate shall be permitted to use or disclose PHI provided by or obtained by or obtained on behalf of Covered Entity to perform those functions, activities, or services for, or on behalf of, Covered Entity that are specified in Appendix A (Statement of Work) of this Agreement, provided that such use or disclosure would not violate the HIPAA Rules if done by Covered Entity. Business Associate shall make uses, disclosures, and requests for PHI consistent with Covered Entity’s minimum policies and procedures.
  4. **Additional Purposes For Which Business Associate May Use Or Disclose Information.** Business Associate shall not use or disclose PHI provided by, or created or obtained on behalf of Covered Entity for any other purposes except as required by law. Business Associate shall not use PHI to de-identify the information in accordance with 45 CFR 164.514(a)-(c) without the Covered Entity’s express written authorization(s). Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
  5. **Business Associate Obligations:**
    - a. **Limits On Use And Further Disclosure Established By Appendix And Law.** Business Associate shall not use or disclose the PHI provided by, or created or obtained on behalf of Covered Entity other than as permitted or required by this Agreement, Appendix A or as required by law.

- b. **Appropriate Safeguards.** Business Associate shall establish and maintain appropriate safeguards to prevent any use or disclosure of PHI other than as provided for by this Agreement that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI that is created, received, maintained, or transmitted on behalf of the Covered Entity as required by Subpart C of 45 CFR Part 164. Appropriate safeguards shall include but are not limited to implementing:
- i. administrative safeguards required by 45 CFR 164.308;
  - ii. physical safeguards as required by 45 CFR 164.310;
  - iii. technical safeguards as required by 45 CFR 164.312; and
  - iv. policies and procedures and document requirements as required by 45 CFR 164.316.
- c. **Training and Guidance.** Business Associate shall provide annual training to relevant employees, contractors, and subcontractors on how to prevent the improper use or disclosure of PHI. Business Associate shall also comply with annual guidance on the most effective and appropriate technical safeguards issued by the Secretary of Health and Human Services.
- d. **Reports Of Improper Use Or Disclosure or Breach.** Business Associate shall notify the Cover Entity's Project Officer and the Covered Entity's Legal Office within two (2) days of discovery of any use or disclosure of PHI not provided for or allowed by this Agreement, including Breaches of unsecured PHI as required by 45 CFR 164.410. Such notification shall be written and shall include the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, or disclosed during the improper use or disclosure or Breach. Business Associate shall furnish Covered Entity with any other available information that Covered Entity is required to include in its notification to individuals under 45 CFR 164.404(c) at the time of Business Associate's notification to Covered Entity or promptly thereafter as such information becomes available. An improper use or disclosure or Breach shall be treated as discovered by the Business Associate on the first day on which it is known to the Business Associate (including any person, other than the individual committing the Breach, that is an employee, officer, or other agent of the Business Associate) or should reasonably have been known to the Business Associate to have occurred.

If any of the Business Associate's employees, agents, subcontractors, and representatives use or disclose PHI received from, or created or received on behalf of Covered Entity, or any derivative de-identified information in a manner not provided for in this Agreement, Business Associate shall ensure that such employees, agents, subcontractors, and business representatives receives training on Business Associate's procedure for compliance with the HIPAA Rules, or shall be sanctioned or prevented from accessing any PHI Business Associate receives from, or creates or receives on behalf of Covered Entity. Continued use of PHI in a manner contrary to the terms of this Agreement shall constitute a material breach of this Agreement.

- e. **Subcontractors And Agents.** In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, Business Associate shall ensure that any of its subcontractors and agents that create, receive, maintain, or transmit PHI on behalf of the Business Associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information.
- f. **Reports Of Security Incidents.** Business Associate shall notify, in writing, the Cover Entity's Project Officer within two (2) days of discovery of any Security Incident at the time of Business Associate's notification to Covered Entity or promptly thereafter as such information becomes available.
- g. **Right Of Access To PHI.** Business Associate shall allow an individual who is the subject of PHI maintained in a designated record set, to have access to and copy that individual's PHI within ten (10) business days of receiving a written request from the Covered Entity or an authorized individual in accordance with the HIPAA Rules. Business Associate shall provide PHI in the format requested, unless it cannot readily be produced in such format, in which case it shall be provided in standard hard copy. If any individual requests from Business Associate or its agents or subcontractors access to PHI, Business Associate shall notify Covered Entity of same within five (5) business days. Business Associate shall further conform with and meet all of the requirements of 45 CFR 164.524.

- h. **Amendment And Incorporation Of Amendments.** Within five (5) business days of receiving a request from Covered Entity or from the individual for an amendment of PHI maintained in a designated record set, Business Associate shall make the PHI available to the Covered Entity and incorporate the amendment to enable Covered Entity to comply with 45 CFR 164.526. If any individual requests an amendment from Business Associate or its agents or subcontractors, Business Associate shall notify Covered Entity of same within five (5) business days.
- i. **Provide Accounting Of Disclosures.** Business Associate shall maintain a record of all disclosures of PHI in accordance with 45 CFR 164.528. Such records shall include, for each disclosure, the date of the disclosure, the name and address of the recipient of the PHI, a description of the PHI disclosed, the name of the individual who is the subject of the PHI disclosed, the purpose of the disclosure, and shall include disclosures made on or after the date which is six (6) years prior to the request. Business Associate shall make such record available to the individual or the Covered Entity within ten (10) business days of a request for an accounting of disclosures and in accordance with 45 CFR 164.528.
- j. **Access To Books And Records.** Business Associate shall make its internal practices, books, and records relating to the use or disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity, available to the Covered Entity and the Secretary of Health and Human Services or designee for purposes of determining compliance with the HIPAA Rules.
- k. **Return Or Destruction Of PHI.** At termination of this Agreement, Business Associate shall return or destroy all PHI provided by or obtained on behalf of Covered Entity. Business Associate agrees not to retain any copies of the PHI after termination of this Agreement. If return or destruction of the PHI is not feasible, Business Associate shall extend the protections of this Agreement to limit any further use or disclosure until such time as the PHI may be returned or destroyed. If Business Associate elects to destroy the PHI, it shall certify to Covered Entity that the PHI has been destroyed.
- l. **Maintenance of PHI.** Notwithstanding section 4(k) of this Appendix, Business Associate and its subcontractors or agents shall retain all PHI throughout the term of the Agreement and shall continue to maintain the information required under section 4(h) of this Appendix for a period of six (6) years after termination of the Agreement, unless Covered Entity and Business Associate agree otherwise.
- m. **Mitigation Procedures.** Business Associate shall establish and provide to Covered Entity upon request, procedures for mitigating, to the maximum extent practicable, any harmful effect from the use or disclosure of PHI in a manner contrary to this Agreement or the HIPAA Rules. Business Associate shall mitigate any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Appendix or the Privacy Rule.
- n. **Sanction Procedures.** Business Associate shall develop and implement a system of sanctions for any employee, subcontractor, or agent who violates this Appendix or the HIPAA Rules.
- o. **Application of Civil and Criminal Penalties.** All Civil and Criminal Penalties under the HIPAA Rules shall apply to Business Associate's violation of any security provision contained in the HIPAA Rules.
- p. **Breach Notification.** Business Associate shall comply with the Breach notification requirements of 45 CFR 164. In the event that Business Associate discovers a Breach, Covered Entity may elect to directly comply with Breach notification requirements or require Business Associate to comply with all Breach notifications requirements of 45 CFR 164 on behalf of Covered Entity. If Covered Entity requires Business Associate to comply with Breach notification requirements, Business Associate shall provide Covered Entity with a detailed weekly, written report, starting one week following discovery of the Breach. The report shall include, at a minimum, Business Associate's progress regarding Breach notification and mitigation of the Breach. If Covered Entity elects to directly meet the requirements of 45 CFR 164, Business Associate shall be financially responsible to Covered Entity for all resulting costs and fees incurred by Covered Entity, including, but not limited to, labor, materials, or supplies. Covered Entity may at its sole option: 1) offset amounts otherwise due and payable to Business Associate under this Agreement; or 2) seek reimbursement of or direct payment to a third party of Covered Entity's costs and fees incurred under this paragraph, Business Associate shall make payment to Covered Entity (or a

third party as applicable) within thirty (30) days from the date of Covered Entity's written notice to Business Associate.

- q. **Grounds For Breach.** Any non-compliance by Business Associate with this Appendix or the HIPAA Rules will automatically be considered to be a breach of the Agreement.
- r. **Termination by Commonwealth.** Business Associate authorizes termination of this Agreement by the Covered Entity if the Covered Entity determines, in its sole discretion that the Business Associate has violated a material term of this Appendix.
- s. **Failure to Perform Obligations.** In the event Business Associate including its subcontractors or agents fails to perform its obligations under this Appendix, Covered Entity may immediately discontinue providing PHI to Business Associate. Covered Entity may also, at its option, require Business Associate to submit to a plan of compliance, including monitoring by Covered Entity and reporting by Business Associate, as Covered Entity in its sole discretion determines to be necessary to maintain compliance with this Appendix and applicable law.
- t. **Privacy Practices.** The Covered Entity will provide and Business Associate shall immediately begin using, distributing, or both to clients any applicable form, including but not limited to, any form used for Notice of Privacy Practices, Accounting for Disclosures, or Authorization, upon the effective date of this Agreement, or as otherwise designated by the Program or Covered Entity. The Covered Entity retains the right to change the applicable privacy practices, documents, and forms. The Business Associate shall implement changes as soon as practicable, but not later than forty-five (45) days from the date of notice of the change. The version of the Covered Entity's Notice of Privacy Practices current at the time of execution of this Agreement is Attachment 1 to this Business Associate Appendix.
- u. **Indemnification.** Business Associate shall indemnify and defend the Covered Entity against all claims and actions, whether in law or equity, resulting from Business Associate's Breach or other violation of the HIPAA Rules. Additionally, Business Associate shall reimburse Covered Entity for any civil monetary penalties imposed on Covered Entity as a result of Business Associate's Breach or other violation of the HIPAA Rules.

## 6. Obligations of Covered Entity:

- a. **Provision of Notice of Privacy Practices.** Covered Entity shall provide Business Associate with the notice of privacy practices that the Covered Entity produces in accordance with 45 CFR 164.520 (Attachment 1 to this Business Associate Appendix), as well as changes to such notice.
- b. **Permissions.** Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by individual to use or disclose PHI of which Covered Entity is aware, if such changes affect Business Associate's permitted or required uses and disclosures.
- c. **Restrictions.** Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that the Covered Entity has agreed to in accordance with 45 CFR 164.522 to the extent that such restriction may affect Business Associate's use or disclosure of PHI.