

SUBCONTRACT AGREEMENT

SUMMARY COVER SHEET

Subcontract ID: **7677-CA-H&SS SOR IV-TEHAMA CHSA-(HSSCAB05)-01G**

Subcontractor Approval Date: **January 9, 2025**

Subcontract Effective Date: **January 1, 2025**

Contractor: **ADVOCATES FOR HUMAN POTENTIAL, INC. (AHP)**
490-B Boston Post Road, Sudbury, MA 01776-3365
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AHP Deputy Project Director/Staff Contact: Emily Gibeau,
Senior Operations Manager
Tel: 909.657.1931 Ext. 561 / egibeau@ahpnet.com

Subcontractor: **TEHAMA COUNTY HEALTH SERVICES AGENCY-RED BLUFF
("TEHAMA CHSA")**
ATTN: Jayme Bottke, Executive Director
1850 Walnut Street, Red Bluff, California 96080, United States
Email address: jayme.bottke@tchsa.net ; laura.fierce@TCHSA.net ;
melinda.johnson@tchsa.net

Prime Contract Identification: **Client: California Department of Health Care Services**
Agreement No.: 24-40129
Contract Title: "State Opioid Response (SOR) IV California Hub & Spoke System (SOR IV CA H&SS)"

Subcontract Type: **Cost Reimbursement**

Period of Performance: **January 1, 2025 through September 29, 2027**

Consideration/Budget: **Professional Services NTE \$481,156.47**

Billing Terms: **As per Attachment D (Budget)**

Payment Terms: **Payment remitted ten (10) business days after receipt of reimbursement from Client.**

Subcontract Cover Sheet

(This Page is not part of the Subcontract Agreement and is for Summary/Reference Purposes Only)

SUBCONTRACT AGREEMENT
7677-CA-H&SS SOR IV-TEHAMA CHSA-(HSSCAB05)-01G

This Subcontract is entered into by and between **ADVOCATES FOR HUMAN POTENTIAL, INC.**, with offices located at **490-B Boston Post Road, Sudbury, MA 01776**, ("AHP" or the "Contractor"), and **TEHAMA COUNTY HEALTH SERVICES AGENCY-RED BLUFF**, with offices at **1850 Walnut Street, Red Bluff, California 96080, United States** ("TEHAMA CHSA") or "Subcontractor").

WITNESSETH:

WHEREAS, AHP desires to obtain the Subcontractor's services to provide direct professional services for the CA DHCS Hub and Spoke System (CA H&SS) to improve, expand, and increase access to MAT services across the state; and support OUD prevention, treatment, and recovery, under DHCS Contract No.: 24-40129, under Subcontract ID: 7677-CA-H&SS SOR IV-TEHAMA CHSA-(HSSCAB05)-01G, hereinafter the "Subcontract," and the Subcontractor desires to assist AHP in its business by performing such services;

NOW, THEREFORE, based upon the foregoing premises, and in consideration of the mutual covenants and agreements herein set forth, the parties agree as follows:

This Subcontract, and its Attachments, ("Agreement") constitutes the entire agreement and understanding between the parties as to the matters set forth herein. It supersedes all prior understandings, written or oral, between the parties with respect to the subject matter hereof and has been induced by no representations, statements, or agreements other than those herein expressed. By accepting this Agreement, the Subcontractor agrees to be bound by all terms and conditions and provisions that may be incorporated by reference, and all other Attachments to this Agreement.

IN WITNESS THEREOF, the parties hereto have executed this Agreement by their duly authorized respective officers as of the day and year last written below.

ADVOCATES FOR HUMAN POTENTIAL, INC.	TEHAMA COUNTY HEALTH SERVICES AGENCY-RED BLUFF
By: <hr/> <i>Signature</i>	<hr/> <i>Signature</i>
<hr/> <i>Print or Type Name of Person Signing</i>	<hr/> <i>Print or Type Name of Person Signing</i>
<hr/> <i>Title</i>	<hr/> <i>Title</i>
<hr/> <i>Date</i>	<hr/> <i>Date</i>

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BACKGROUND

This Agreement is funded in whole or in part with funds from AHP's client, State of CA Department of Health Care Services ("DHCS" or "Client") and the Substance Abuse and Mental Health Services Administration (SAMHSA). SAMHSA awarded DHCS the State Opioid Response (SOR) IV grant, which supports California's State Opioid Response Project, which aims to address the opioid and stimulant use disorder crises by improving access to treatment, reducing unmet treatment need, and reducing opioid and stimulant-related overdose deaths through the provision of prevention, treatment, harm reduction, and recovery service activities. AHP's contract with DHCS (the "Prime Contract") continues to address the opioid epidemic through prevention, treatment, or recovery services by through the California Hub & Spoke System (CA H&SS) of the State Opioid Response.

AHP serves as the Administrative Entity on behalf of DHCS for the SOR IV grant.

SECTION 1: PRIVACY OF CONTRACT

Neither the Client, SAMHSA, nor the US Government, nor any of their departments, agencies, or employees is or will be a party to this Agreement or any lower-tier subcontract. No privity between the Client, SAMHSA, or the US Government, and Subcontractor is established by this Agreement.

Except as authorized by AHP, Subcontractor shall not communicate with the Client/SAMHSA/US Government regarding any matter which is within the scope of AHP's responsibility under its Prime Contract, or regarding matters within the scope of this Agreement. Authorization by AHP shall not be unreasonably withheld. In addition, Subcontractor shall not communicate with the Client/SAMHSA/US Government regarding any matter of dispute with AHP, which shall be resolved strictly through the Disputes provisions of this Subcontract.

SECTION 2: NATURE OF THE SUBCONTRACT

2.1 Type of Subcontract

This is a **COST REIMBURSEMENT** Subcontract:

- (a) Subcontractor's accounting system shall be capable of allocating and segregating costs applicable to this Subcontract.
- (b) Allowable Costs: Only costs that are allowable, allocable, and reasonable under the terms of this Subcontract and any other applicable regulations may be billed. This includes direct costs, indirect costs, and fees, as identified in Subcontractor's Budget (**Attachment D**). AHP shall pay or cause to be paid only those costs determined to be allowable under the terms of this Agreement.

2.2 Funding

All amounts under this Agreement reference US dollars. No costs will be incurred except those specifically proposed by the Subcontractor to AHP, and Subcontractor shall perform the work within the funding allocations/budget, specified in Subcontractor's Budget, **Attachment D**.

This Agreement is entered into, and the obligation of funds is made, based upon the appropriation under the Prime Contract. Should this appropriation or any funds allocated to the Prime Contract be reduced subsequent to this Agreement, or should the scope of

the work, or Statement of Work be redirected by the Client or AHP so as to affect the work envisioned to be subcontracted, AHP shall have the right to renegotiate this Agreement or to effect a termination (at its discretion) pursuant to the termination section of this Agreement.

Total funds currently available for payment and allotted to this Agreement are **FOUR HUNDRED EIGHTY-ONE THOUSAND, ONE HUNDRED FIFTY-SIX DOLLARS AND FORTY-SEVEN CENTS (\$481,156.47)**.

SECTION 3: SUBCONTRACTOR PERFORMANCE AND DELIVERY

3.1 Period of Performance

The Base performance period is from **January 1, 2025 through September 29, 2027**, unless sooner terminated in accordance with the terms of this Agreement. Any extensions to the period of performance will be supported by a written modification to this Subcontract, and any changes or additions to the Statement of Work/deliverables/ days of performance shall be determined at that time.

Whenever Subcontractor knows, or reasonably should know, that any actual or potential condition is delaying, or threatens to delay, the timely performance of work, it shall, within five (5) business days, provide AHP with written notice, including all relevant information with respect to the condition(s) and delay.

3.2 Time of the Essence

TIME IS OF THE ESSENCE in Subcontractor's performance of its obligations under this Agreement.

3.3 Delivery Schedule

Satisfactory performance of deliverables shall be deemed to occur upon delivery and acceptance by the Project Director of the items as described in the Statement of Work (SOW). All deliverables shall be submitted as directed by the Project Director. In no event shall Subcontractor submit a deliverable directly to the Client, the US Government, or other entity, unless specifically directed to do so in writing by the Project Director or his/her designee.

Upon request, a copy of all written deliverables shall also be delivered to: AHP General Counsel, Advocates for Human Potential, Inc., 490-B Boston Post Road, Sudbury, MA 01776, legalnotices@ahpnet.com, or to such other address as AHP shall designate in writing.

3.4 Inspection and Acceptance

(a) Inspection and acceptance of work will be made by the AHP Project Director, or his/her duly authorized representative. The responsibilities of the AHP Project Director includes continuous monitoring of Subcontractor's performance and providing technical inspection and acceptance as required under the Prime Contract.

(b) Inspection and acceptance will be performed at Advocates for Human Potential, Inc., 490-B Boston Post Road, Sudbury, MA 01776, or at such other place(s) as AHP may designate in writing.

(c) Subcontractor shall tender for acceptance those items that conform to the requirements of this Agreement. AHP reserves the right to inspect or test any supplies or services tendered under this Agreement, to the extent practicable at all reasonable places and times. The Client and/or SAMHSA also has the right to inspect and evaluate the work performed or being performed under this Agreement. Inspections and tests will

be performed in a manner that will not unduly delay the work. AHP may require repair or replacement of non-conforming supplies or re-performance of nonconforming services at no increase in contract price. Upon submission, AHP shall have ten (10) business days to inspect Subcontractor's work. Should AHP and/or Client find the material unsatisfactory, AHP shall notify Subcontractor of the defects within the ten (10)-day period. Subcontractor shall have ten (10) business days to cure said defects associated with Subcontractor's work/product. If inspection or evaluation is to be performed on the premises of Subcontractor or its lower-tier subcontractor(s), Subcontractor shall furnish (and require its subcontractors to furnish) all reasonable facilities and assistance for the safety and convenience of these duties. Any inspection or review undertaken by AHP and/or the Client is solely for the purpose of determining whether the Subcontractor is properly discharging its obligations under this Agreement and should not be relied upon by the Subcontractor or by any third parties as a warranty or representation by AHP and/or the Client as to the quality of the supplies or services.

SECTION 4: STATEMENT OF WORK

(a) Independently, and not as an agent of AHP, the Client, or the US Government, Subcontractor shall furnish to AHP all the services, qualified personnel, material, equipment, and facilities, not otherwise provided by AHP or the Client, as needed to perform the Statement of Work in **Attachment C**.

(b) Subcontractor shall maintain an internal quality control program adequate to ensure that the requirements of this Agreement are met. The work shall be performed in accordance with high standards of professional skill, and upon delivery and acceptance of the deliverables, AHP shall pay the Subcontractor in accordance with the payment provisions of this Agreement.

SECTION 5: SUBCONTRACTOR TRAVEL

Travel reimbursement ☒ is ☐ is not authorized under this Agreement, under the following conditions:

Travel Requests:

1. Travel requests must be sent in advance to AHP for review and DHCS approval. The request shall include all pertinent details regarding travel dates, flight information, hotel information, and any other allowable travel costs.
2. Travel is allowed as long as it is reasonably incurred for the State Opioid Response Project and paid at the State rate (State travel reimbursement rates). Travel unrelated to the State Opioid Response Project operations is not allowed.

SUBCONTRACT AGREEMENT

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This Subcontract is entered into by and between **ADVOCATES FOR HUMAN POTENTIAL, INC.**, with offices located at **490-B Boston Post Road, Sudbury, MA 01776**, ("AHP" or the "Contractor"), and **TEHAMA COUNTY HEALTH SERVICES AGENCY-RED BLUFF**, with offices at **1850 Walnut Street, Red Bluff, California 96080, United States** ("TEHAMA CHSA") or "Subcontractor").

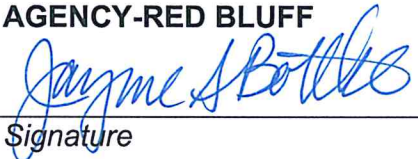
WITNESSETH:

WHEREAS, AHP desires to obtain the Subcontractor's services to provide direct professional services for the CA DHCS Hub and Spoke System (CA H&SS) to improve, expand, and increase access to MAT services across the state; and support OUD prevention, treatment, and recovery, under DHCS Contract No.: 24-40129, under Subcontract ID: 7677-CA-H&SS SOR IV-TEHAMA CHSA-(HSSCAB05)-01G, hereinafter the "Subcontract," and the Subcontractor desires to assist AHP in its business by performing such services;

NOW, THEREFORE, based upon the foregoing premises, and in consideration of the mutual covenants and agreements herein set forth, the parties agree as follows:

This Subcontract, and its Attachments, ("Agreement") constitutes the entire agreement and understanding between the parties as to the matters set forth herein. It supersedes all prior understandings, written or oral, between the parties with respect to the subject matter hereof and has been induced by no representations, statements, or agreements other than those herein expressed. By accepting this Agreement, the Subcontractor agrees to be bound by all terms and conditions and provisions that may be incorporated by reference, and all other Attachments to this Agreement.

IN WITNESS THEREOF, the parties hereto have executed this Agreement by their duly authorized respective officers as of the day and year last written below.

ADVOCATES FOR HUMAN POTENTIAL, INC.	TEHAMA COUNTY HEALTH SERVICES AGENCY-RED BLUFF
By: _____	 _____
Signature	Signature
Damien Newman	Jayme S. Bottke
Print or Type Name of Person Signing	Print or Type Name of Person Signing
Chief Finance Officer	Executive Director
Title	Title
_____	7-31-25
Date	Date

(b) Invoicing shall provide sufficient detail, including at least the following information:

- i. Subcontractor's name.
- ii. Subcontractor's TIN/EIN.
- iii. Subcontract Agreement ID: **7677-CA-H&SS SOR IV-TEHAMA CHSA-(HSSCAB05)-01G.**
- iv. Invoice No.
- v. Invoice date.
- vi. **AHP's Project & Billing Number(s) applicable to the tasks/deliverables invoiced, as per the Statement of Work attached.**
- vii. Amount Due on the Invoice.
- viii. For cost reimbursement contracts, each invoice must be accompanied by adequate documentation or certifications that substantiate the costs claimed, including supporting documentation for your payroll, timesheets showing personnel hours expended, invoices for approved subcontractor services, receipts for equipment and supplies, and other approved costs (e.g., training costs, advertising expenses, participant incentives, etc.)
- ix. An original signature of an authorized official of Subcontractor, with the following certification: "I hereby certify that all payments requested are for appropriate purposes and in accordance with the terms and conditions set forth in the Agreement between the parties."
- x. Name/title/telephone number of the person to contact in case of questions about the invoice.
- xi. Name, title, phone number, and mailing address of official to whom payment is to be sent.
- xii. Other substantiating or supporting documentation or information as AHP may request, or as may be necessary for compliance with AHP's billing to the Client.

(c) Costs shall be billed as they are incurred, but no more frequently than monthly, with invoices submitted for review and payment, electronically to: AP2@AHPNET.COM. Upon receipt of an Invoice, proper in form, and accepted and approved by AHP **(approval of the Invoice shall mean that AHP's Project Director has reviewed, accepted, and signed the Invoice)**, AHP shall remit payment via electronic funds transfer (EFT) within ten (10) business days after AHP's receipt of payment from the Client to an account or accounts designated by Subcontractor in writing, or via First Class Mail.

(d) The cost of overnight or courier delivery of invoices is not allowed.

(e) All payment questions shall first be addressed to AHP Accounts Payable at (978) 443-0055.

(f) Subcontractor's right to payment shall be contingent upon the Project Director's review of the invoice and deliverables, along with reasonable site inspections or other inspections as may be permitted under this Agreement, together with any attachments, and that the review shall demonstrate the achievement of satisfactory performance against the Statement of Work.

(g) Should Subcontractor's lack of satisfactory performance endanger AHP's successful accomplishment of its Prime contract responsibilities, a cure notice shall be issued to

Subcontractor. Subcontractor shall respond in ten (10) days with a plan to cure such notice. Should the cure not be feasible, or if the cure fails within the agreed upon time frame, AHP may terminate the Agreement immediately upon written notice.

(h) In satisfaction of the Subcontractor's obligation to complete the task(s) called for in **Attachment C**, "Statement of Work," the Subcontractor shall provide the deliverable(s) specified within the period of performance of this Agreement. If at the end of the period of performance, the Subcontractor has not completed the deliverable(s), fees may be reduced. In the event that the term of this Agreement expires before the Subcontractor has provided the deliverable(s), AHP shall have the right to extend the term of the Agreement to the extent necessary to permit the Subcontractor to provide the deliverable(s) specified.

6.4 Final Payment and Closeout

Subcontractor must invoice for all final costs within sixty (60) days following completion of this Agreement, and Subcontractor will provide all documentation necessary for a timely closeout of this Agreement including the submission of a "Final Invoice," a "Release of Claims," "Assignment of Refunds," and/or other closeout documents as AHP may require or reasonably request. Payment of the invoice may be withheld, pending completion and acceptance by AHP of all work performed, submission of all required documentation and/or substantiation of all work performed or delivered, as per 6.3, and submission of all required administrative forms and technical reports. These rights and obligations shall survive the termination of this Subcontract.

6.5 Key Personnel (NOT APPLICABLE)

SECTION 7: CHANGES AND MODIFICATIONS

(a) AHP may at any time make unilateral changes, within the general scope of this Agreement, in the definition, time of performance, extension or carry forward of deliverables/equipment into other quarters, or quantity of services to be performed.

(b) If any change causes an increase or decrease in the budgeted cost for performance of any part of the work under this Agreement, Subcontractor shall propose a new budget. Upon agreement of a revised price, a modification will be issued. Subcontractor must assert any claim for adjustment under this clause within thirty (30) days from the date of receipt.

(c) Failure to agree to any adjustment on a timely request that is submitted within the thirty (30) day period allowed shall be deemed a dispute concerning a question of fact within the meaning of the Clause of this Agreement entitled "Disputes." Notwithstanding any failure to agree to any such adjustment, Subcontractor shall diligently proceed with the work as changed.

SECTION 8: CONFIDENTIAL INFORMATION

(a) *Non-Disclosure of Confidential (Proprietary) Information:* During the term of this Agreement, Subcontractor and its employees, consultants and/or lower tiered subcontractors, may receive or have access to data and information that is proprietary to AHP and/or DHCS, including the identity of AHP and/or DHCS clients or grantees. All such data and information made available to, disclosed to, or otherwise made known to Subcontractor, its employees, consultants and/or lower tiered subcontractors as a result of services under this Agreement shall be considered and kept confidential by the Subcontractor, and may be used only for purposes of performing the obligations

hereunder. Subcontractor, its employees, consultants and/or lower tiered subcontractors shall not reveal, publish or otherwise disclose such information to any third party without the prior written consent of AHP. Subcontractor shall take all reasonable precautions to prevent any other person with whom it is or may become associated from acquiring confidential proprietary information at any time. Disclosure of the information is for purposes of completing performance under this Agreement, and shall in no way be construed to grant any rights to otherwise use this information, nor shall Subcontractor take action to obtain licenses, patents, trademarks, copyrights, or other rights to said information. Upon the expiration or earlier termination of this Agreement, or at any time that AHP so instructs, Subcontractor agrees to deliver to AHP all proprietary information supplied and delivered, (including all copies, materials, print and electronic, collected and created by Subcontractor in performance of services for AHP), and Subcontractor shall make no further use or utilization of the information. The foregoing obligations shall not apply to information which: (a) is or becomes generally available to the public other than as a result of a disclosure by Subcontractor; (b) becomes available to Subcontractor on a non-confidential basis from a third party source which is not prohibited from disclosing such information by a legal, contractual, or fiduciary agreement to a third party; (c) Subcontractor develops independently without use of AHP's or DHCS' Confidential Information, as demonstrated by written records and evidence; or (d) is required by law to be disclosed, provided Subcontractor notifies AHP promptly and gives AHP an opportunity to seek an appropriate protective order. These obligations of confidentiality and non-disclosure shall be flowed down to consultants and/or lower tiered subcontractors, and shall survive the termination of this Agreement.

(b) Notwithstanding the above, Subcontractor recognizes and acknowledges that DHCS is a public entity subject to the Public Records Act and information submitted by Subcontractor to AHP as the agent for DHCS or directly to DHCS may be subject to public disclosure and Subcontractor has no right to assume that such information will be kept confidential.

(c) Personally Identifiable Information: Subcontractor shall, and shall ensure that each of its subcontractors, if applicable, shall, maintain reasonable security of all personally identifiable information (including but not limited to personal health information), and comply with all applicable legal requirements relating to such information, including requirements relating to safeguarding, storing, transmitting, sharing, and destroying such information, and breach notification requirements.

Subcontractor shall not, and shall ensure that each of its subcontractors shall not, share personally identifiable information (including but not limited to personal health information) (excluding the personally identifiable information of Subcontractor's (or its subcontractors') directors, officers, employees, agents, affiliates, and designees, in connection with Subcontractor's performance under this Agreement).

(d) Data Privacy: Subcontractor shall comply with all applicable data protection laws and regulations, including but not limited to the California Consumer Privacy Act (CCPA) and the California Privacy Rights Act (CPRA). Subcontractor shall implement and maintain all necessary security measures to protect any personal information as defined by the CCPA and CPRA, and shall not process, transfer, or use such information except as necessary to fulfill the obligations under this Agreement. Subcontractor shall promptly inform AHP of any requests or communications received directly from data subjects in relation to their personal information processed under this Agreement and

shall assist AHP in responding to such requests in compliance with the CCPA and CPRA. In the event of a breach of any data protection obligations, Subcontractor shall immediately notify AHP in writing and provide full cooperation to remedy the breach in a timely manner. This section shall survive termination of this Agreement.

SECTION 9: INTELLECTUAL PROPERTY (See Attachment B)

SECTION 10: TERMINATION FOR CAUSE

(a) AHP, or at the direction of the Client, may terminate this Agreement if Subcontractor fails to comply with any terms, conditions, requirements, failure of achievement in any or all deliverables, satisfactory performance, or provisions of the Agreement. AHP shall notify Subcontractor in writing of its failure to comply. Should Subcontractor not remedy such failure within ten (10) business days (Remedy Period), this Agreement may be terminated. Upon notification, or any time during the Remedy Period, Subcontractor may request additional time in order to cure the default and so long as Subcontractor is working in good faith and Client approves, the cure period may be extended to at least thirty (30) business days.

(b) In the event that this Agreement is terminated for cause pursuant to Paragraph (a) above, then neither the Client nor AHP shall be liable for any work that is not performed in accordance with the Subcontract. The Client through AHP will pay the Subcontractor for work that has been performed in accordance with this Subcontract, and the Subcontractor shall transfer to the Client or AHP all work that has been completed and paid for under this Agreement.

(c) This Agreement may be terminated immediately upon notification by either party following a material breach of this Agreement.

(d) This Agreement may be terminated immediately upon receipt of notice (or knowledge) that the Subcontractor has filed for Bankruptcy.

SECTION 11: POLICIES AND CODES

11.1 Subcontractor shall comply with all California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to Subcontractor's performance under this Agreement.

11.2 AHP may perform inspections, review procedures, documents pertaining to the Statement of

Work and other elements of this Agreement, perform onsite visits, desk reviews to ensure Subcontractor's compliance, as well as protect against fraud, waste, and abuse.

11.3 In the event the Subcontractor does not comply with 11.1 and 11.2 above, AHP shall have all rights set forth in Section 10.

SECTION 12: DATA COLLECTION AND PERFORMANCE

12.1 The Subcontractor is subject to data collection and reporting requirements, which will be set forth by DHCS and conveyed to Subcontractor by AHP to the extent not set forth herein.

12.2 Monitoring and Site Inspection

- a. The Subcontractor shall be subject to monitoring by AHP for compliance with the provisions of this Agreement. Such monitoring activities shall include, but are not limited to, inspection of the Subcontractor's services, procedures, books, and records and site inspections, as AHP deems appropriate. AHP may conduct monitoring activities at any time during the Subcontractor's normal business hours.
- b. AHP shall conduct a review of the Subcontractor's records to determine if any of the claimed expenditures were an improper use of grant funds.
- c. The refusal of Subcontractor to permit access to physical facilities and/or inspection of any documents, files, books, or records necessary for AHP to complete its monitoring and inspection activities in accordance with this section constitutes an express and immediate material breach of this contract and will be a sufficient basis to terminate the contract for cause.

SECTION 13: ORGANIZATIONAL CONFLICT OF INTEREST

Subcontractor warrants to the best of its knowledge and belief at this time, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest, ("OCI") as defined in FAR Subpart 9.5, or that Subcontractor has disclosed all such relevant information, and will disclose any actual or potential OCI that is discovered, including a description of activities that Subcontractor has taken or proposes to take, after consultation with the AHP Contracting Officer, to avoid the conflict. During the term of this Agreement, Subcontractor shall not enter into other contracts or arrangements or otherwise engage in work that will conflict with the parties' relationship of trust and cooperation or that may otherwise conflict with the Subcontractor's obligations.

SECTION 14: INSURANCE

(a) Subcontractor shall continuously maintain for the duration of this Agreement, the following insurance at, or in excess of, the limits detailed below:

- Worker's compensation and employer's liability insurance as required by the law(s) of the state or province where the work is performed.
- Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including on-site and off-site operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.
- Subcontractor shall furnish to AHP a Certificate of Insurance stating that commercial general liability insurance of not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined is presently in effect for the Subcontractor. The commercial general liability insurance policy shall cover for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. The commercial general liability insurance shall apply to each insured against whom claim is made or suit is brought subject to the Subcontractor's limit of liability.

- Insurance appropriate and sufficient in type and amount to cover any software and data to be developed under this Agreement, and property insurance sufficient to cover the cost of any AHP, Client, or other property under this Agreement that may be in the control of the Subcontractor.

(b) All policies, except Workers' Compensation and Employer's Liability, shall be endorsed to name AHP as an Additional Insured with respect to the work to be performed by Subcontractor. All such insurance must be primary and non-contributory and required to respond and pay prior to any other insurance or self-insurance available.

(c) Subcontractor shall immediately deposit with AHP upon request a Certificate of Insurance attesting to the above coverage and naming AHP as additional insured parties under such policies. The Subcontractor agrees that the insurance required herein will remain in effect at all times during the term of the Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, the Subcontractor agrees to provide, at least thirty (30) calendar days before said expiration date, a new Certificate of Insurance evidencing insurance coverage as provided herein for not less than the remainder of the term of the Agreement or for a period of not less than one year. AHP may, in addition to any other remedies it may have, terminate this Agreement on the occurrence of such event.

(d) Insurance Indemnification. Subcontractor shall indemnify AHP and DHCS for any costs and expenses incurred, including reasonable attorneys' fees, judgments, settlements or penalties, as a result of any claim or liability resulting from the failure of Subcontractor (or its lower tier subcontractors or consultants) to maintain the insurance policies required by this section.

(e) This section shall apply to Subcontractor's lower tier subcontractors/consultants unless waived in writing by AHP.

(f) AHP will not be responsible for any premiums, deductibles, or assessments on the insurance policy.

SECTION 15: INDEMNIFICATION

(a) Subcontractor shall indemnify and hold harmless AHP and their officers, employees, and agents for any costs and expenses incurred, including reasonable attorneys' fees, judgments, settlements or penalties, against all liabilities, claims, suits, demands or liens for damages to persons or property, ("Claims"), (unless such claims arise from the gross negligence or willful misconduct of AHP), arising out of, resulting from, or relating to, the following:

- Any act, omission, or statement of the Subcontractor, or any person employed by or engaged under contract with the Subcontractor that results in injury (including death), loss, or damage to any person or property;
- Any failure on the part of the Subcontractor to comply with applicable government requirements and requirements of law;
- The failure to maintain the insurance policies required by this section or the work performed, inclusive of intellectual property infringement, if applicable, under this Subcontract. Insurance coverage that may be required shall in no way lessen or limit the liability of Subcontractor under the terms of this obligation;

- Any failure on the part of the Subcontractor to satisfy all claims for labor, equipment, materials and other obligations relating to the performance of the work hereunder;
- Any injury to property or person occurring on or about the infrastructure or the property of Subcontractor;
- Any actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark or copyright, arising out of the performance of this Agreement, provided the Subcontractor is reasonably notified of such claims and proceedings; and
- Any actual or alleged unauthorized use or disclosure of any trade secret, confidential information or other proprietary interest, work product, or other information owned by the Client, Government, or AHP under the terms of this Agreement.

(b) Subcontractor shall indemnify under this clause for any of the above acts attributable to its employees, consultants, agents, and/or lower-tiered subcontractors engaged in performance of the work under this Agreement.

(c) This indemnification shall survive the expiration or termination of the Agreement.

SECTION 16: DISPUTES/APPLICABLE LAWS

16.1 Disputes

Any dispute arising out of, or relating to, this Agreement that is not resolved by the good faith efforts of the parties, shall be settled by submission to a panel consisting of one arbitrator under the Commercial Rules of the American Arbitration Association ("AAA"). The parties shall bear equally the costs assessed by the AAA, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. Venue for the arbitration shall be the State of California in a county elected by AHP. The decision of the arbitrator shall be final, conclusive, and unappealable, except in the event of fraud or the arbitrator's failure to disclose a material conflict of interest. The prevailing party, in addition to any damages awarded by the arbitrator, shall be entitled to costs and reasonable attorneys' fees, the amount of which shall be determined by the arbitrator, in the event the parties are unable to agree.

16.2 Applicable Laws

Each party agrees to comply with the applicable provisions of Federal, State, and local laws or ordinances, and all orders, rules, and regulations issued thereunder, and in such a manner that the name of the other party will not be discredited. Where a FAR provision or clause, or any other Federal statute, regulation, or clause is incorporated in or applicable to this Agreement or work being performed under it, Federal law shall govern the interpretation and application thereof. If Federal law is not applicable, the appropriate law of the State of California shall apply, exclusive of that body of laws known as conflicts of law. This Section shall survive the expiration or termination of the Agreement.

SECTION 17: CERTIFICATIONS

By signature to this Agreement, Subcontractor makes the following Representations and Certifications:

(a) Debarment and Suspension: Neither Subcontractor nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible nor voluntarily excluded by any Federal department or agency from participating in transactions. Any change in the debarred or suspended status of the Subcontractor during the life of this Subcontract will be reported immediately to AHP. Subcontractor shall incorporate this Debarment and Suspension certification into any lower-tier subcontract into which it may enter as a part of this Subcontract.

(b) Prohibition To Perform Duties: Subcontractor is not prohibited, precluded, or restricted from performing the duties required under the Statement of Work, due to previous employment obligations, restrictions, commitments, or agreements Subcontractor has with any other federal, state, or local government agency.

(c) Federal Civil Rights Act/Equal Opportunity: Subcontractor will conform to the provisions of Title VI of the Federal Civil Rights Act of 1964, section 2000d as amended and will not discriminate against any employee or applicant for employment because of age, race, religion, creed, color, sex, or national origin.

(d) Labor Laws: Subcontractor certifies that it complies with all applicable labor laws, including but not limited to the Walsh-Healy Act and the Contract Work Hours and Safety Standards Act (41 U.S.C. 51-58) regarding overtime compensation.

(e) Americans with Disabilities Act: Subcontractor agrees to ensure that deliverables developed and produced, pursuant to this Agreement shall comply with the accessibility requirements of Sections 7405 and 11135 of the California Government Code, Section 508 of the Rehabilitation Act and Americans with Disabilities Act of 1973 as amended (29 U.S.C 794(d), regulations implementing the Rehabilitation Act of 1973 as set forth in in Part 1194 of Title 36 of the Federal Code of Regulations, and the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq. and 28 CFR Part 35). In 1998, Congress amended the Rehabilitation Act of 1973 to require Federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Code Sections 7405 and 11135 codifies section 508 of the Rehabilitation ACT of 1973 requiring accessibility of EIT. Section 504 of the Rehabilitation Act of 1973.

(f) Employee Compliance: Subcontractor will require all employees, entities, and individuals providing services in connection with the performance of this Subcontract to comply with the provisions of this Agreement and with all Federal, State, and local laws and regulations in connection with this work.

(g) Code of Ethics: Subcontractor has a Code of Ethics addressing at least the following areas: accurate accounting records and reporting; gifts and entertainment to Government customers; hiring of former government employees; protection of Government proprietary and source selection information; extending and receiving business courtesies; and personal and organizational conflicts of interest, , or Subcontractor will otherwise be subject to AHP's "Standards of Ethics and Business Conduct for Consultants and Independent Contractors ("Code of Conduct"), which may be accessed at: [Standards of Ethics and Business Conduct for AHP Vendors - AHP \(ahpnet.com\)](http://Standards of Ethics and Business Conduct for AHP Vendors - AHP (ahpnet.com)).

(h) Subcontractor shall comply with the Age Discrimination Act of 1975 (45 CFR Part 90).

(i) Subcontractor shall comply with Section 1557 of the Affordable Care Act.

(j) Subcontractor shall comply with the Trafficking Victims Protection Act of 2000 (22 USC 7104(G), as amended and 2 CFR Part 175).

(k) Subcontractor shall comply with the Clean Air Act (42 USC 7401-7671q) and the Federal Water Pollution Control ACT (33 USC 1251-1387), as amended.

(l) Byrd Anti-Lobbying Amendment (31 USC 1352): The Subcontractor shall certify to DHCS that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an office or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. The Subcontractor shall also disclose to DHCS any lobbying with non-Federal funds that takes place in connection with obtaining any Federal Award.

(m) Confidentiality of Substance Use Disorder Patient Records: (42 CFR Part 2, Subparts A-E). The Subcontractor shall comply with the regulation set forth in 42 CFR Part 2, including the responsibility for assuring the security and confidentiality of all electronically transmitted patient material.

SECTION 18: RECORDS AND RECORD KEEPING

- a. The Subcontractor shall retain all financial records, supporting documents, statistical records, and all other pertinent records in accordance with 45 CFR section 75.361, or for such other term or terms as may be stated elsewhere in this Subcontract, whichever is longer.
- b. AHP, SAMHSA, the Inspector General, the Controller General, and DHCS, or any of their authorized representatives, have the right to access any documents, papers, or other records of the Subcontractor which are pertinent to the grant, for the purpose of performing audits, examinations, excerpts, and transcripts. The right to access records also includes timely and reasonable access to the Subcontractor's personnel for the purpose of interview and discussion related to the requested documents.
- c. The right to access records is not limited to the required retention period but lasts as long as the records are retained by the Subcontractor.

SECTION 19: GENERATIVE ARTIFICIAL INTELLIGENCE (GenAI) TECHNOLOGY USE AND REPORTING

A. Subcontractor shall not include or make available in their services or any work under this Subcontract any GenAI technology, including GenAI from third parties or subcontractors, as GenAI technology can materially impact functionality, risk, or contract performance.

B. If the Subcontractor discovers any GenAI technology (including from third parties) has been used or made available in work or deliverables during the term of this Subcontract, Subcontractor shall notify AHP in writing immediately, so that AHP may notify the Client. If requested, Subcontractor shall assist with AHP's reporting to DHCS.

C. Subcontractor's failure to disclose GenAI and/or failure to submit reporting to AHP in compliance with this Section may be a material breach of the Subcontract, as determined by AHP in its sole discretion, and AHP may consider such failure as grounds for the immediate termination of the Subcontract. AHP is entitled to seek any and all relief it may be entitled to as a result of such non-disclosure.

D. AHP reserves the right to amend the Subcontract, without additional cost, to incorporate additional GenAI Special Provisions at its sole discretion and/or terminate any contract that presents an unacceptable level of risk.

E. This section shall apply to Subcontractor's lower tier subcontractors/consultants, and the Subcontractor shall ensure that all contracts for services include compliance with this Section.

SECTION 20: EXPENSE ALLOWABILITY/FISCAL DOCUMENTATION

- a. Invoices, received from a Subcontractor and accepted and/or submitted for payment by AHP, shall not be deemed evidence of allowable costs under this Agreement.
- b. The Subcontractor shall maintain for review and audit, and supply to AHP upon request, adequate documentation of all expenses claimed pursuant to this Agreement to permit a determination of expense allowability.
- c. If the allowability or appropriateness of an expense cannot be determined by AHP because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed, and AHP may withhold payment. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.
- d. If Travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. For more information on allowable/unallowable travel, *per diem* expenses, and required documentation, see SECTION 5: SUBCONTRACTOR TRAVEL, herein, **Attachment B** "Travel and Per Diem Reimbursement."
- e. Costs and/or expenses deemed unallowable are subject to recovery by AHP. See Section 21 "Recovery of Overpayments" for more information.

SECTION 21: RECOVERY OF OVERPAYMENTS

- a. Subcontractor agrees that claims based upon a contractual agreement or an audit finding and/or an audit finding that is appealed and upheld, will be recovered by AHP by one of the following options:
 - 1. Subcontractor's remittance to AHP of the full amount of the audit exception within thirty (30) days following AHP request for payment; or
 - 2. A repayment schedule which is agreeable to both AHP and the Subcontractor.
- b. AHP reserves the right to select which option will be employed and AHP will notify the Subcontractor in writing of the claim procedure to be utilized.
- c. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average of the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding is mailed to the Subcontractor, beginning thirty (30) days after the Subcontractor's receipt of AHP's demand for repayment.
- d. If the Subcontractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Subcontractor loses the final administrative appeal, the Subcontractor shall repay, to AHP, the over-claimed or disallowed

expenses, plus accrued interest. Interest accrues from the Subcontractor's first receipt of AHP's notice requesting reimbursement of questioned audit costs or disallowed expenses.

SECTION 22: BEST EFFORTS

During the term of this Agreement, Subcontractor shall use its Best Efforts in order to satisfy all the requirements of the work to be performed under Section 4 and **Attachment C** of this Agreement.

THIS AGREEMENT CONSISTS OF **SEVENTEEN (17)** TYPEWRITTEN PAGES, TOGETHER WITH THE ATTACHMENTS IDENTIFIED BELOW, WHICH ARE HEREBY INCORPORATED INTO THIS AGREEMENT.

LIST OF ATTACHMENTS

<u>TITLE</u>	<u>No. of PAGES</u>
Attachment A — <i>Standard</i> Subcontract Terms and Conditions	1
Attachment B — <i>Special</i> Subcontract Requirements	39
Attachment C —Subcontractor's Statement of Work	5
Attachment D —Budget	
Attachment E —EO Sanction Notification	1

ATTACHMENT A-STANDARD SUBCONTRACT TERMS AND CONDITIONS

Headings: Headings are for convenience of reference only and shall in no way affect interpretation of this Agreement.

Independent Contractor: Subcontractor is engaged as an independent contractor, and this Agreement shall not be construed as creating any other relationship. Subcontractor shall comply with all laws and assume all risks incident to its status as independent contractor, and necessary to comply with specific requirements of this Agreement, including, but not limited to, payment of all applicable federal/state income taxes, associated payroll/business taxes, and licenses and fees.

No Agency: Subcontractor, its employees, agents, or assigns, shall not represent, act or purport to act, or be deemed to be an agent, representative, or employee of AHP, or commit or obligate AHP to any other person or party.

Lower-Tier Consultants/Subcontractors: AHP's prior written approval is required to obtain services of consultants or lower-tier Subcontractors; provided, however, that this limitation shall not apply to the purchase of standard commercial supplies.

No Assignment: This Agreement is for professional services, and the Agreement, or any duties/obligations imposed shall not be assigned, delegated or otherwise transferred.

Changes to be Made in Writing: Unless otherwise specified that AHP may make a unilateral modification, no understanding, agreement, modification, change order, or other matter affecting this Subcontract shall be binding, unless in writing, signed by both parties' Contracting Officer. No handwritten changes shall be effective unless initialed by each Contracting Officer.

Notices: Any notice or other communication required or permitted to be given under this Subcontract shall be in writing and shall be deemed to have been duly given if sent by email or other electronic means to the email address or electronic contact information to the receiving party's Contracting Officer. Such notice shall be deemed received upon the sender's receipt of a confirmation generated by the recipient's email system or other electronic system indicating that the notice has been received, unless the sender receives an automated message that the email or electronic communication has not been delivered.

Force Majeure: Neither party shall be liable to the other for loss or damages due to failure or delay in rendering performance caused by circumstances beyond its reasonable control, if such failure could not have been overcome by the exercise of due diligence, due care, or foresight. Causes may include, but are not limited to, acts of God or a public enemy; wars; acts of terrorism; riots; fires; floods; epidemics; pandemic; outbreaks of infectious disease or any other public health crisis; quarantine or other employee restrictions; labor disputes; strikes; defaults of subcontractors/vendors; transportation failure/delays; unforeseen freight embargoes; unusually severe weather; or any law/order/regulation/request of a state or local government entity, the US Government, or of any agency, court, commission, or other instrumentality of any such governments. Times of performance under this Agreement may be appropriately extended for excused delays if the party whose performance is affected promptly notifies the other of the existence and nature of such delay.

Warranty: Unless a different warranty is specified, Subcontractor warrants all services provided and products delivered will be free from defect in materials and/or workmanship, and will be fit for the purpose intended, and will conform to the specifications of the statement of work. In the event of a breach AHP may complete the work and seek all remedies available in law or equity.

Scientific Misconduct: Subcontractor shall immediately report to AHP any instance of scientific misconduct or fraud related to performance of work under this Agreement.

Limitation of Liability upon Termination: AHP's maximum aggregate liability to Subcontractor is limited to the total dollar amount of work properly performed by Subcontractor up to the effective date of termination, together with authorized travel, or authorized expenses incurred under the Subcontract that cannot be canceled. AHP is not liable for any special, indirect, incidental, consequential, or punitive damages, nor for any loss of goodwill, profits, data, or loss of use arising out of, resulting from, or in any way connected with the performance or breach of this Subcontract, even if advised of the possibility of such damages.

Litigation: Subcontractor shall provide written notice to AHP of any litigation that relates to the services under this contract, or that has the potential to impair its ability to fulfill this contract, including but not limited to financial, legal, or other situations.

Publicity: Without prior written approval of the other, neither party shall use the other's name or make reference to the other party or any of its employees in publications, news releases, advertising, speeches, technical papers, photographs, sales promotions, or publicity purposes of any form related to this work or data developed hereunder, unless disclosure of such materials is required by legal, accounting, or regulatory requirements beyond the disclosing party's reasonable control. Use of either party's name may be made in internal documents, annual reports, proposals, etc. which may identify the existence of the project by title, principal investigator or project director, sponsor, period of funding, amount of award and brief abstract of the project. This Section shall survive expiration/termination of this Subcontract.

Restrictions on Hiring: During the period of this Agreement, and for a period of two (2) years after its termination, neither party shall directly or indirectly, induce or solicit (or authorize or assist in the taking of any such actions by any third party) any employee or consultant of the other party to leave his/her business association with that party. Parties are not restricted in the right to solicit or recruit generally in the media.

Survival: Except as otherwise stated, sections that by their terms impose continuing obligations or establish continuing rights shall be deemed to survive the expiration/termination of this Subcontract.

Validity and Waiver: The invalidity in whole or in part of any provision of this Agreement shall not affect the validity of other provisions. Waiver of a breach of any provision shall not constitute a waiver of any subsequent breach of that provision, or a breach of any other provision. AHP's failure to enforce any provision of this Agreement shall not be construed as a waiver. Only AHP's Contracting Officer has the authority to waive any term or condition of this Subcontract on behalf of AHP.

Interpretation: This contract shall be interpreted and construed in accordance with its fair meaning, and not strictly for or against either party, regardless of who may have drafted it or any specific provision.

Third Party Beneficiaries: Unless expressly stated within, this Agreement shall not be construed so as to give any person or entity, other than the parties and DHCS, any legal or equitable claim or right.

Counterparts/Other Instruments: The parties may execute this contract in multiple counterparts, each of which is deemed an original and all of which constitute only one agreement. The parties shall properly make, execute, and deliver such other and further instruments as may be reasonable, necessary, desirable, or convenient to give full force and effect to this Agreement.

Binding Effect: This Agreement shall be binding upon the parties, their successors and assigns.

(JAN 2025)

ATTACHMENT B

Special Terms and Conditions (PART 1)

Adapted under DHCS Agreement **24-40129 SOR IV CA H&SS**
Department of Health Care Services, Exhibit D

The use of headings or titles throughout this Attachment B is for convenience only and shall not be used to interpret or to govern the meaning of any specific term or condition.

The term "contract" shall also mean, "agreement", "grant", "grant agreement", and "Subcontract."

The terms "Contractor" and "Subcontractor" shall also mean "Grantee," "Subgrantee," or "Subrecipient."

The terms "California Department of Health Care Services," "California Department of Health Services," "Department of Health Care Services," "Department of Health Services," "CDHCS," "DHCS," "CDHS," and "DHS" shall all have the same meaning and refer to the California State agency that is a party to the Prime Contract with AHP.

This exhibit contains provisions that require strict adherence to various contracting laws and policies. Some provisions herein are conditional and only apply if specified conditions exist (i.e., agreement total exceeds a certain amount; agreement is federally funded, etc.). The provisions herein apply to this Agreement unless the provisions are removed or omitted by reference in this Exhibit, the provisions are superseded by an alternate provision appearing elsewhere in this Attachment, or the applicable conditions do not exist.

Index of Special Terms and Conditions

1. Federal Equal Employment Opportunity Requirements	21. Drug Free Workplace Act of 1988
2. Travel and Per Diem Reimbursement	22. Covenant Against Contingent Fees
3. Procurement Rules	23. Payment Withholds
4. Equipment / Property Ownership / Inventory / Disposition	24. Progress Reports or Meetings
5. Subcontract Requirements	25. Performance Evaluation (INTENTIONALLY OMITTED)
6. Income Restrictions	26. Officials Not to Benefit
7. Audit and Record Retention	27. Prohibited Use of State Funds for Software
8. Site Inspection	28. Use of Disabled Veteran's Business Enterprises (DVBE) (INTENTIONALLY OMITTED)
9. Federal Contract Funds	29. Use of Small, Minority Owned and Women's Businesses (INTENTIONALLY OMITTED)
10. Termination (INTENTIONALLY OMITTED)	30. Use of Small Business Subcontractors (INTENTIONALLY OMITTED)
11. Intellectual Property Rights	31. Alien Ineligibility Certification (INTENTIONALLY OMITTED)
12. Air or Water Pollution Requirements	32. Union Organizing (INTENTIONALLY OMITTED)
13. Prior Approval of Training Seminars, Workshops or Conferences	33. Contract Uniformity (Fringe Benefit Allowability)
14. Confidentiality of Information	34. Suspension or Stop Work Notification
15. Documents, Publications, and Written Reports	35. Public Communications
16. Dispute Resolution Process (INTENTIONALLY OMITTED)	36. Legal Services Contract Requirements (INTENTIONALLY OMITTED)
17. Subrecipient Compliance	37. Compliance with Statutes and Regulations
18. Human Subjects Use Requirements	38. Lobbying Restrictions and Disclosure Certification
19. Debarment and Suspension Certification	
20. Smoke-Free Workplace Certification	

1. Federal Equal Opportunity Requirements

(Applicable to all federally funded agreements entered into by the Department of Health Care Services)

- a. The Subcontractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Subcontractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Subcontractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or AHP, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state the Subcontractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
- b. The Subcontractor will, in all solicitations or advancements for employees placed by or on behalf of the Subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical or mental handicap, disability, age, or status as a disabled veteran or veteran of the Vietnam era.
- c. The Subcontractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of the Subcontractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Subcontractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The Subcontractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the

Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

- f. In the event of the Subcontractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Subcontractor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- g. The Subcontractor will include the provisions of Paragraphs a through g in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or vendor. The Subcontractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs, DHCS, or AHP may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Subcontractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHCS or AHP, the Subcontractor may request in writing to AHP, who, in turn, through DHCS, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

2. Travel and Per Diem Reimbursement

(Applicable if travel and/or per diem expenses are reimbursed with Agreement funds.)

Reimbursement for travel and per diem expenses from AHP under this Agreement shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Human Resources (CalHR), for nonrepresented state employees as stipulated in DHCS' Travel Reimbursement Information in this Attachment B-Special Subcontract Terms and Conditions. If the CalHR rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. Exceptions to California Department of Human Resources (CalHR) rates may be approved by AHP upon the submission of a statement by the Subcontractor indicating that such rates are not available to the Subcontractor. No travel outside the State of California shall be reimbursed without prior authorization from DHCS to AHP. Verbal authorization from AHP must be confirmed in writing. Written authorization may be in a form including fax or email confirmation.

3. Procurement Rules

(Applicable to agreements in which equipment/property, commodities and/or supplies are furnished by AHP or DHCS or expenses for said items are reimbursed by funds with state or federal funds provided under this Agreement.)

a. **Equipment/Property definitions**

Wherever the term equipment and/or property is used, the following definitions shall apply:

- (1) **Major equipment/property:** A tangible or intangible item having a base unit cost of **\$5,000 or more** with a life expectancy of one (1) year or more and is either furnished by DHCS/AHP or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.
- (2) **Minor equipment/property:** A tangible item having a base unit cost of **less than \$5,000** with a life expectancy of one (1) year or more and is either furnished by DHCS/AHP or the cost is reimbursed through this Agreement.

b. **Government and public entities** (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.

c. **Nonprofit organizations and commercial businesses**, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment/property and services related to such purchases for performance under this Agreement.

- (1) Equipment/property purchases must not exceed \$50,000 annually.

To secure equipment/property above the annual maximum limit of \$50,000, the Subcontractor shall make arrangements through AHP, on behalf of the appropriate DHCS Program Contract Manager, to have all remaining equipment/property purchased through DHCS' Purchasing Unit. The cost of equipment/property purchased by or through DHCS shall be deducted from the funds available in this Agreement. Subcontractor shall submit to the AHP Contract Manager a list of equipment/property specifications for those items that the State must procure. DHCS may pay the vendor directly for such arranged equipment/property purchases and title to the equipment/property will remain with DHCS. The equipment/property will be delivered to the Subcontractor's address, as stated on the face of the Agreement, unless the Subcontractor notifies the AHP Contract Manager, in writing, of an alternate delivery address.

- (2) All equipment/property purchases are subject to Paragraphs d through h of Provision 3. Paragraph b of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are either a government or public entity.
- (3) Nonprofit organizations and commercial businesses shall use a procurement system that meets the following standards:

- (a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.
- (b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.
- (c) Procurements must be conducted in a manner that provides for all of the following:
 - i. Avoid purchasing unnecessary or duplicate items.
 - ii. Equipment/property solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.
 - iii. Take positive steps to utilize small and veteran owned businesses.
- d. Unless waived or otherwise stipulated in writing by AHP, prior written authorization from the appropriate DHCS Program Contract Manager to AHP will be required before the Subcontractor will be reimbursed for any purchase of \$5,000 or more for commodities, supplies, equipment/property, and services related to such purchases. The Subcontractor must provide in its request for authorization all particulars necessary, as specified by AHP from DHCS, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.
- e. In special circumstances, determined by AHP (e.g., when AHP has a need to monitor certain purchases, etc.), AHP may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. AHP reserves the right to either deny claims for reimbursement or to request repayment for any Subcontractor purchase that AHP determines to be unnecessary in carrying out performance under this Agreement.
- f. The Subcontractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. AHP and the State reserve the right to request a copy of these documents and to inspect the purchasing practices of the Subcontractor at any time.
- g. For all purchases, the Subcontractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Subcontractor for inspection or audit.
- h. AHP may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of inappropriate purchase practices, etc.), withhold, cancel, modify, or retract the delegated purchase authority granted under Paragraph b of Provision 3 by giving the Subcontractor no less than thirty (30) calendar days written notice.

4. Equipment/Property Ownership / Inventory / Disposition

(Applicable to agreements in which equipment/property is furnished by DHCS or AHP and/or when said items are purchased or reimbursed by DHCS with state or federal funds provided under this Agreement.)

- a. Wherever the term equipment and/or property is used in Provision 4, the definitions in Paragraph a of Provision 3 shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that is purchased/reimbursed with Agreement funds or furnished by DHCS or AHP under the terms of this Agreement shall be considered state equipment and the property of DHCS through AHP.

- (1) **Reporting of Equipment/Property Receipt** AHP requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by AHP or purchased/reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Subcontractor shall report the receipt to AHP. To report the receipt of said items and to receive property tags, Subcontractor shall use a form or format designated by AHP. If the appropriate form does not accompany this Agreement, Subcontractor shall request a copy from AHP.

- (2) **Annual Equipment/Property Inventory** If the Subcontractor enters into an agreement with a term of more than twelve (12) months, the Subcontractor must submit an annual inventory of state equipment and/or property to AHP using a form or format designated by AHP. If an inventory report form (i.e., Inventory/Disposition of DHCS-Funded Equipment) does not accompany this Agreement, Subcontractor shall request a copy from AHP. Subcontractor shall:

- (a) Include in the inventory report, equipment and/or property in the Subcontractor's possession and/or in the possession of a lower-tier subcontractor (including independent consultants).
 - (b) Submit the inventory report to AHP according to the instructions appearing on the inventory form or issued by AHP.
 - (c) Contact AHP to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by AHP.
- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
- c. Unless otherwise stipulated, DHCS and AHP shall be under no obligation to pay the cost of restoration, or rehabilitation of the Subcontractor's facility which may be affected by the removal of any state equipment and/or property.
- d. The Subcontractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.
 - (1) In administering this provision, AHP may require the Subcontractor to repair or

replace, to AHP's satisfaction, any damaged, lost or stolen state equipment and/or property. In the event of state equipment and/or miscellaneous property theft, Subcontractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Subcontractor shall promptly submit one copy of the theft report to AHP.

- e. Unless otherwise stipulated by the Program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by AHP or DHCS under the terms of this Agreement, shall only be used for performance of this Agreement or another DHCS agreement.
- f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Subcontractor shall provide a final inventory report of equipment and/or property to AHP and shall, at that time, query AHP as to the requirements, including the manner and method, of returning state equipment and/or property to AHP. Final disposition of equipment and/or property shall be at AHP/DHCS expense and according to AHP instructions. Equipment and/or property disposition instructions shall be issued by AHP immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, AHP/DHCS may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different DHCS agreement.

g. **Motor Vehicles**

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS or AHP under this Agreement.)

- 1) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS or AHP under the terms of this Agreement, within thirty (30) calendar days prior to the termination or end of this Agreement, the Subcontractor must return such vehicles to DHCS as AHP shall instruct and must deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to DHCS as AHP shall instruct.
- 2) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS or AHP under the terms of this Agreement, the State of California will be the legal owner of said motor vehicles and the Subcontractor will be the registered owner. The Subcontractor may only use said vehicles for performance and under the terms of this Agreement.
- 3) The Subcontractor agrees that all operators of motor vehicles, purchased/reimbursed with agreement funds or furnished by DHCS or AHP under the terms of this Agreement, must hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator must also hold a State of California Class B driver's license.
- 4) If any motor vehicle is purchased/reimbursed with agreement funds or furnished by DHCS or AHP under the terms of this Agreement, the Subcontractor must provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this Agreement or any extension period during which any vehicle remains in the Subcontractor's possession:

Automobile Liability Insurance

a) The Subcontractor, by signing this Agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by DHCS or AHP under the terms of this Agreement, to the Subcontractor.

b) The Subcontractor shall, as soon as practical, furnish a copy of the certificate of insurance to the AHP Project Director or another AHP representative, as AHP shall instruct. The certificate of insurance must identify the DHCS contract or agreement number and the AHP Subcontract ID for which the insurance applies.

c) The Subcontractor agrees that bodily injury and property damage liability insurance, as required herein, will remain in effect at all times during the term of this Agreement or until such time as the motor vehicle is returned to DHCS.

d) The Subcontractor agrees to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this Agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.

e) The Subcontractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:

I. The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State (California Department of Health Care Services) and AHP.

II. The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this Agreement and any extension or continuation of this Agreement.

III. The insurance carrier must notify the California Department of Health Care Services (DHCS) and AHP, in writing, of the Subcontractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices will contain a reference to each agreement number for which the insurance was obtained.

f) The Subcontractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the CA Department of General Services (DGS), Office of Risk and Insurance Management. The Subcontractor will be notified by DHCS or AHP, in writing, if this provision is applicable to this Agreement. If DGS approval of the certificate of insurance is required, the Subcontractor agrees that no work or services will be performed prior to obtaining said approval.

5. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

- a. Prior written authorization will be required before the Subcontractor enters into or is reimbursed for any subcontract for services. Except as indicated in Paragraph a(3) herein, when securing subcontracts for services exceeding \$5,000, Subcontractor must obtain at least three bids or justify a sole source award.
 - 1) Subcontractor must provide in its request for authorization, all information necessary for evaluating the necessity or desirability of incurring such cost.
 - 2) AHP may identify the information needed to fulfill this requirement.
 - 3) Subcontracts performed by the following entities or for the service types listed below are exempt from the bidding and sole source justification requirements:
 - a) A local governmental entity or the federal government,
 - b) A State college or State university from any State,
 - c) A Joint Powers Authority,
 - d) An auxiliary organization of a California State University or a California community college,
 - e) A foundation organized to support the Board of Governors of the California Community Colleges,
 - f) An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
 - g) Firms or individuals proposed for use and approved by DHCS' funding program via acceptance of an application or proposal for funding or pre/post contract award negotiations,
 - h) Entities and/or service types identified as exempt from advertising and competitive bidding in [State Contracting Manual Volume 1 Chapter 5 Section 5.80 Subsection B.](#) ,
 - i) Entities whose name and budgeted costs have been submitted to DHCS or AHP in response to a competitive Invitation for Bid or Request for Proposal.
- b. Agreements with governmental or public entities and their auxiliaries, or a Joint Powers Authority
 - 1) If the total amount of all subcontracts exceeds twenty-five percent (25%) of the total agreement amount or \$50,000, whichever is less and each subcontract is not with an entity or of a service type described in paragraph a(3) herein, DHCS or AHP will:
 - a) Obtain approval from DGS to use said subcontracts, or
 - b) If applicable, obtain a certification from the prime Contractor indicating that each subcontractor was selected pursuant to a competitive bidding process requiring at least three bids from responsible bidders, or
 - c) Obtain attestation from the Secretary of the California Health and Human Services Agency attesting that the selection of the particular subcontractor(s) without competitive bidding was necessary to promote DHCS' program needs and was not done for the purpose of circumventing competitive bidding requirements.

- 2) When the conditions of b(1) apply, each subcontract that is not with a type of entity or of a service type described in paragraph a(3) herein, must not commence work before DHCS/AHP has obtained applicable prior approval to use said subcontractor. AHP will inform the Subcontractor when appropriate approval to use said subcontractors has been obtained.
- c. DHCS/AHP reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Subcontractor to terminate subcontracts entered into in support of this Agreement.
 - 1) Upon receipt of a written notice from DHCS or AHP requiring the substitution and/or termination of a subcontract, the Subcontractor must take steps to ensure the completion of any work in progress and select a replacement, if applicable, within thirty (30) calendar days, unless a longer period is agreed to by DHCS/AHP.
 - 2) The requirements specified in Provision 28 entitled, "Use of Disabled Veteran Business Enterprises (DVBES)" will apply to the use and substitution of DVBE subcontractors.
 - 3) The requirements specified in Provision 30 entitled, "Use of Small Business Subcontractors" will apply to the use and substitution of small business subcontractors.
- d. Actual subcontracts (i.e., written agreement between the Subcontractor and a lower-tier subcontractor) of \$5,000 or more are subject to the prior review and written approval of AHP (from DHCS). DHCS may, at its discretion, elect to waive this right. All such waivers must be confirmed in writing by DHCS/AHP.
- e. Subcontractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by DHCS/AHP, make copies available for approval, inspection, or audit.
- f. Neither DHCS nor AHP assumes any responsibility for the payment of subcontractors used in the performance of this Agreement. Subcontractor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
- g. The Subcontractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
- h. When entering into a consulting agreement, the contract shall include detailed criteria and a mandatory progress schedule for the performance of the contract and shall provide a detailed analysis of the costs of performing the contract.
- i. The Subcontractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
- j. The Subcontractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:

"(Subcontractor Name) agrees to maintain and preserve, until ten (10) years after termination of DHCS Agreement 24-40129 SOR IV CA H&SS and final payment from DHCS to AHP, to permit DHCS or AHP or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."

- k. Unless otherwise stipulated in writing by AHP, the Subcontractor shall be the lower-tier subcontractor's sole point of contact for all matters related to performance and payment under this Agreement.
- l. Subcontractor shall, as applicable, advise all subcontractors of their obligations pursuant to the following numbered provisions of this Exhibit: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 17, 18, 19, 20, 32, 37, 38 and/or other numbered provisions herein that are deemed applicable.

6. Income Restrictions

Unless otherwise stipulated in this Agreement, the Subcontractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Subcontractor under this Agreement shall be paid by the Subcontractor to AHP for remittance to DHCS, to the extent that they are properly allocable to costs for which the Subcontractor has been reimbursed by AHP/DHCS under this Agreement.

7. Audit and Record Retention

(Applicable to agreements in excess of \$10,000.)

- a. The Subcontractor and/or lower-tier subcontractors/independent consultants shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- b. The Subcontractor's (and/or lower-tier subcontractors'/independent consultants') facilities or offices or such parts thereof as may be engaged in the performance of this Agreement and its records shall be subject at all reasonable times to inspection, audit, and reproduction.
- c. Subcontractor agrees that AHP, DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Subcontractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Subcontractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Government Code Section 8546.7, Public Contract Code (PCC) Sections 10115 et seq., Code of California Regulations Title 2, Section 1896.77.) The Subcontractor shall comply with the above and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC Section 10115.10.
- d. The Subcontractor (and/or lower-tier subcontractors/independent consultants) shall preserve and make available their records (1) for a period of six (6) years for all records related to Disabled Veteran Business Enterprise (DVBE) participation (Military and Veterans Code 999.55), if this Agreement involves DVBE participation, and ten (10) years for all other contract records from the date of final payment under this

Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (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 ten (10) years from the date of any resulting final settlement.
 - (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the ten-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular ten-year period, whichever is later.
- e. The Subcontractor (and/or lower-tier subcontractors/independent consultants) may, at their discretion, following receipt of final payment under this Agreement, reduce their accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Subcontractor (and/or lower-tier subcontractors/independent consultants) must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.
 - f. For agreements with non-profit entities funded in part or whole with federal funds in the amount of \$750,000 or more, the Subcontractor shall, if applicable, comply with the Single Audit Act and the audit requirements set forth in 2 C.F.R. §200.501 et seq.
 - g. For Direct Service Contracts as defined in Health & Saf. Code § 38040 in the amount of \$25,000 or more, the Subcontractor shall comply with the audit requirements set forth in Health & Saf. Code § 38040.

8. Site Inspection

DHCS and AHP, through any authorized representative, have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder, including lower-tier subcontract or independent consultant supported activities, and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Subcontractor and/or lower-tier subcontractor/independent consultant, the Subcontractor shall provide, and shall require the lower-tier subcontractors/independent consultants to provide, all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

9. Federal Contract Funds

(Applicable only to that portion of an agreement funded in part or whole with federal funds.)

- a. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.

- b. This agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms or funding of this Agreement in any manner.
- c. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
- d. DHCS/AHP has the option to invalidate or cancel the Agreement with thirty (30) days advance written notice or to amend the Agreement to reflect any reduction in funds.

10. TERMINATION (INTENTIONALLY OMITTED)

11. Intellectual Property Rights

(Applicable to all agreements that may be fund, in whole or part, the creation and development Intellectual Property.)

- a. The State will be the owner of all rights, title, and interest in any and all intellectual property or other products or materials created or developed pursuant to this Agreement, whether or not published, produced, manufactured or distributed. The copyright, patent and/or other intellectual property rights to any and all products created, provided or developed, in whole or part, under this Agreement, whether or not published, produced, manufactured or distributed belongs to the State from the moment of creation.
- b. The State retains all rights to use, reproduce, distribute, or display any products or materials created, provided, developed, or produced under this Agreement and any derivative products based on Agreement products or materials, as well as all other rights, privileges, and remedies granted or reserved to a copyright, patent, service mark or trademark owner under statutory and common law.
- c. Subcontractor agrees to cooperate with State and AHP, and to execute any document(s) that may be necessary to give the foregoing provisions full force and effect, including but not limited to, an assignment of trademark, copyright or patent rights. Subcontractor, subject to reasonable availability, agrees to give testimony and take all further acts necessary to acquire, transfer, maintain, and enforce the State's intellectual property rights and interest.
- d. Subcontractor agrees to cooperate with the State and AHP in assuring the State's sole rights against third parties with respect to the Intellectual Property. If the Subcontractor enters into any agreements or subcontracts with other parties in order to perform this Agreement, Subcontractor must require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to the State all rights, title and interest in Intellectual Property conceived, developed,

derived from, or reduced to practice by the subcontractor, Subcontractor, AHP or the State and which result from this Agreement or any subcontract.

- e. Subcontractor agrees not to incorporate into or make the works developed, dependent upon any original works of authorship or Intellectual Property Rights of third parties without first (a) obtaining AHP's (from the State) prior written permission, and (b) granting to or obtaining for State, without additional compensation, a nonexclusive, royalty-free, paid-up, irrevocable, perpetual, world-wide license, to use, reproduce, sell, modify, publicly and privately display and distribute, for any purpose whatsoever, any such prior works.
- f. Subcontractor shall retain title to all of its Intellectual Property to the extent such intellectual Property is in existence prior to the effective date of this Agreement. **Unless otherwise specified in the Statement of Work in contracts other than those funded, in part or whole, by federal funds (see paragraph k below),** Subcontractor hereby grants to DHCS, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Subcontractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement. Proprietary software packages that are provided at established catalog or market prices and sold or leased to the general public will not be subject to this license provision.
- g. In the case of copyrighted materials, all materials distributed under the terms of this Agreement, and any reproductions or derivative works thereof, shall include a notice of copyright in a place that can be visually perceived at the direction of the State. This notice shall be placed prominently on products or materials and set apart from other matter on the page or medium where it appears. The notice "Copyright" or "©," the year in which the work was first created, and the Department of Health Care Services DHCS," or other appropriate mark as directed by AHP or DHCS, shall be included on any such products or materials.
- h. Subcontractor represents and warrants that:
 - 1) It is free to enter into and fully perform this Agreement.
 - 2) It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
 - 3) Neither Subcontractor's performance of this Agreement, nor the exercise by either Party or DHCS, of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Subcontractor, AHP, or the State and which result directly or indirectly from this Agreement shall infringe upon or violate any Intellectual Property right, nondisclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any State, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Subcontractor.

- 4) Neither Subcontractor's performance nor any part of its performance shall violate the right of privacy of or constitute a libel or slander against any person or entity.
 - 5) It has secured and shall secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real property, sites, locations, property or props that may be used or shown.
 - 6) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to the State in this Agreement.
 - 7) It has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
 - 8) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Subcontractor's performance of this Agreement.
- i. THE STATE AND AHP MAKE NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.
 - j. INTELLECTUAL PROPERTY INDEMNITY
 - 1) Subcontractor must indemnify, defend and hold harmless the State and AHP and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Subcontractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Subcontractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of the State's use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Subcontractor or AHP on behalf of the State or the State and which result directly or indirectly from this Agreement. This indemnity obligation will apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. The State and/or reserves the right to participate in and/or control, at Subcontractor's expense, any such infringement action brought against the State or and/or AHP.
 - 2) Should any Intellectual Property licensed by the Subcontractor to the State under this Agreement become the subject of an Intellectual Property infringement claim, Subcontractor will exercise its authority reasonably and in good faith to preserve the State's and/or AHP's right to use the licensed Intellectual Property in accordance with this Agreement at no expense to the State or AHP. The State and AHP shall have the right to monitor and appear through its own counsel (at Subcontractor's expense) in any such claim or action. In the defense or settlement of the claim, Subcontractor may obtain the right for the State/AHP to continue

using the licensed Intellectual Property; or replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, the State/AHP will be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.

- 3) Subcontractor agrees that damages alone would be inadequate to compensate the State/AHP for breach of any term of this Intellectual Property attachment by Subcontractor. Subcontractor acknowledges the State/AHP would suffer irreparable harm in the event of such breach and agrees the State/AHP will be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.
- k. If this Agreement is funded in whole or part by federal funds, the State will retain all Intellectual Property rights, title, and ownership, which result directly or indirectly from the Agreement pursuant to applicable federal law including, but not limited to, 45 C.F.R. § 75.322 and 45 C.F.R. § 95.617, except as provided in 37 C.F.R. Part 401.14. However, the federal government will have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.
- l. The provisions set forth herein will survive any termination or expiration of this Agreement.

12. Air or Water Pollution Requirements

Any federally funded agreement and/or subcontract in excess of \$100,000 must comply with the following provisions unless said agreement is exempt by law.

- a. Government contractors agree to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 USC 7606) section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations.
- b. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, and the Clean Water Act (33 U.S.C. 1251 et seq.), as amended.

13. Prior Approval of Training Seminars, Workshops or Conferences

Subcontractor shall obtain prior AHP approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. Subcontractor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Subcontractor or lower-tier subcontractor to conduct routine business matters.

14. Confidentiality of Information

- a. The Subcontractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to the Subcontractor, its employees, agents, or subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.
- b. The Subcontractor and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Subcontractor's obligations under this Agreement.
- c. The Subcontractor and its employees, agents, or subcontractors shall promptly transmit to the AHP Contracting Officer all requests for disclosure of such identifying information not emanating from the client or person.
- d. The Subcontractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than AHP without prior written authorization from the AHP Contracting Officer, except if disclosure is required by State or Federal law.
- e. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.
- f. As deemed applicable by AHP/DHCS, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

15. Documents, Publications and Written Reports

(Applicable to agreements over \$5,000 under which publication, written reports and documents are developed or produced. Gov. Code § 7550.)

Any document, publication or written report (excluding progress reports, financial reports, and normal contractual communications) prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all agreements and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

16. Dispute Resolution Process (INTENTIONALLY OMITTED)

17. Subrecipient Compliance

(Applicable to agreements in which a Subrecipient receives federal funding. This does not apply to Medi-Cal programs.)

Per 2 C.F.R. § 200.93, a Subrecipient is a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal award. Subrecipients must comply with certain requirements, including without limitation, audit requirements, as set forth in 2 C.F.R. Part 200, as applicable to Subrecipients. Subrecipients may be subject to applicable monitoring activities by DHCS as required in 2 C.F.R. § 200.332.

18. Human Subjects Use Requirements

(Applicable only to federally funded agreements/grants in which performance, directly or through a subcontract/subaward, includes any tests or examination of materials derived from the human body.)

By signing this Agreement, Subcontractor agrees that if any performance under this Agreement or any subcontract or subagreement includes any tests or examination of materials derived from the human body for the purpose of providing information, diagnosis, prevention, treatment or assessment of disease, impairment, or health of a human being, all locations at which such examinations are performed shall meet the requirements of 42 U.S.C. Section 263a (CLIA) and the regulations thereunder.

19. Debarment and Suspension Certification

(Applicable to all agreements funded in part or whole with federal funds.)

- a. By signing this Agreement, the Subcontractor agrees to comply with applicable federal suspension and debarment regulations including, but not limited to 2 CFR 180, 2 CFR 376.
- b. By signing this Agreement, the Subcontractor certifies to the best of its knowledge and belief, that it and its principals:
 - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
 - (2) Have not within a three-year period preceding this application/proposal/agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) violation of Federal or State antitrust statutes; commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, obstruction of justice, or the commission of any other offense indicating a lack of business integrity or business honesty that seriously affects its business honesty;
 - (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph b(2) herein; and
 - (4) Have not within a three-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State or local) terminated for cause or default.
 - (5) Have not, within a three-year period preceding this application/proposal/agreement engaged in any of the violations listed under 2 CFR Part 180, Subpart C as supplemented by 2 CFR Part 376.
 - (6) Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR part 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State/AHP.

- (7) Shall include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- c. If the Subcontractor is unable to certify to any of the statements in this certification, the Subcontractor shall submit an explanation to the AHP Contracting Officer for submission to the DHCS Program Contract Manager.
- d. The terms and definitions herein have the meanings set out in 2 CFR Part 180 as supplemented by 2 CFR Part 376.
- e. If the Subcontractor knowingly violates this certification, in addition to other remedies available to the Federal Government, and DHCS, AHP may terminate this Agreement for cause or default.

20. Smoke-Free Workplace Certification

(Applicable to federally funded agreements/grants and subcontracts/subawards, that provide health, day care, early childhood development services, education or library services to children under 18 directly or through local governments.)

- a. Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed.
- b. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible party.
- c. By signing this Agreement, Subcontractor or Grantee certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994.
- d. Subcontractor or Grantee further agrees that it will insert this certification into any subawards (subcontracts or subgrants) entered into that provide for children's services as described in the Act.

21. Drug Free Workplace Act of 1988

The Federal government implemented the Drug Free Workplace Act of 1988 in an attempt to address the problems of drug abuse on the job. It is a fact that employees who use drugs have less productivity, a lower quality of work, and a higher absenteeism, and are more likely to misappropriate funds or services. From this perspective, the drug abuser may endanger other employees, the public at large, or themselves. Damage to property, whether owned by this entity or not, could result from drug abuse on the job.

All these actions might undermine public confidence in the services this entity provides. Therefore, in order to remain a responsible source for government contracts, the following guidelines have been adopted:

- a. The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the work place.
- b. Violators may be terminated or requested to seek counseling from an approved rehabilitation service.
- c. Employees shall notify their employer of any conviction of a criminal drug statute no later than five (5) days after such conviction.
- d. Although alcohol is not a controlled substance, it is nonetheless a drug. It is the policy that abuse of this drug will also not be tolerated in the workplace.
- e. Contractors of federal agencies are required to certify that they will provide drugfree workplaces for their employees.

22. Covenant Against Contingent Fees

(Applicable only to federally funded agreements.)

The Subcontractor warrants that no person or selling agency has been employed or retained to solicit/secure this Agreement upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies retained by the Subcontractor for the purpose of securing business. For breach or violation of this warranty, AHP shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

23. Payment Withholds

(Applicable only if a final report is required by this Agreement. Not applicable to government entities.)

Unless waived or otherwise stipulated in this Agreement, AHP may, at its discretion, withhold 10 percent (10%) of the face amount of the Agreement, 50 percent (50%) of the final invoice, or \$3,000 whichever is greater, until AHP receives a final report that meets the terms, conditions and/or scope of work requirements of this Agreement.

24. Progress Reports or Meetings

(Applicable to consultant service agreements and, at DHCS' option, other agreements.)

a. Subcontractor shall submit progress reports or attend meetings with AHP and/or state personnel at intervals determined by DHCS or AHP to determine if the Subcontractor is on the right track, whether the project is on schedule, provide communication of interim findings, and afford occasions for airing difficulties or special problems encountered so that remedies can be developed quickly.

b. At the conclusion of this Agreement and if applicable, Subcontractor shall hold a final meeting at which Subcontractor shall present any findings, conclusions, and recommendations. If required by this Agreement, Subcontractor shall submit a comprehensive final report.

25. Performance Evaluation (INTENTIONALLY OMITTED)

26. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

27. Prohibited Use of State Funds for Software

(Applicable to agreements in which computer software is used in performance of the work.)

Subcontractor certifies that it has appropriate systems and controls in place to ensure that state funds from AHP shall not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright law.

28. Use of Disabled Veteran's Business Enterprises (DVBE) (INTENTIONALLY OMITTED)

29. Use of Small, Minority Owned and Women's Businesses (INTENTIONALLY OMITTED)

30. Use of Small Business Subcontractors (INTENTIONALLY OMITTED)

31. Alien Ineligibility Certification (INTENTIONALLY OMITTED)

32. Union Organizing (INTENTIONALLY OMITTED)

33. Contract Uniformity (Fringe Benefit Allowability)

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, DHCS sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein, fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. As used herein, fringe benefits do not include:
 - (1) Compensation for personal services paid currently or accrued by the Subcontractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
 - (2) Directors and executive committee member's fees.
 - (3) Incentive awards and/or bonus incentive pay.
 - (4) Allowances for off-site pay.
 - (5) Location allowances.
 - (6) Hardship pay.
 - (7) Cost-of-living differentials.
- c. Specific allowable fringe benefits include:
 - (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and

the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.

- d. To be an allowable fringe benefit, the cost must meet the following criteria:
 - (1) Be necessary and reasonable for the performance of the Agreement.
 - (2) Be determined in accordance with generally accepted accounting principles.
 - (3) Be consistent with policies that apply uniformly to all activities of the Subcontract.
- e. Subcontractor agrees that all fringe benefits shall be at actual cost.
- f. Earned/Accrued Compensation
 - (1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See Provision f (3)(a) for an example.
 - (2) For multiple year agreements, vacation, and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the Agreement. Holidays cannot be carried over from one agreement year to the next. See Provision f (3)(b) for an example.
 - (3) For single year agreements, vacation, sick leave, and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the Agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.
 - (a) **Example No. 1:**

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a one-year agreement. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of an agreement, the Contractor during a one-year budget period may only claim up to three weeks of vacation and twelve days of sick leave as actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the Agreement are not an allowable cost.
 - (b) **Example No. 2:**

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).
 - (c) **Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to DHCS, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

34. Suspension or Stop Work Notification

- a. AHP may, at any time, issue a notice to suspend performance or stop work under this Agreement. The initial notification may be a verbal or written directive issued by the AHP Project Director or Contract Representative. Upon receipt of said notice, the Subcontractor is to suspend and/or stop all, or any part, of the work called for by this Agreement.
- b. Written confirmation of the suspension or stop work notification with directions as to what work (if not all) is to be suspended and how to proceed will be provided within thirty (30) working days of the verbal notification. The suspension or stop work notification shall remain in effect until further written notice is received from AHP. The resumption of work (in whole or part) will be at AHP's discretion and upon receipt of written confirmation.
 - (1) Upon receipt of a suspension or stop work notification, the Subcontractor shall immediately comply with its terms and take all reasonable steps to minimize or halt the incurrence of costs allocable to the performance covered by the notification during the period of work suspension or stoppage.
 - (2) Within ninety (90) days of the issuance of a suspension or stop work notification, AHP shall either:
 - (a) Cancel, extend, or modify the suspension or stop work notification; or
 - (b) Terminate the Agreement as provided for in the Cancellation / Termination clause of the Agreement.
- c. If a suspension or stop work notification issued under this clause is canceled or the period of suspension or any extension thereof is modified or expires, the Subcontractor may resume work only upon written concurrence of AHP.
- d. If the suspension or stop work notification is cancelled and the Agreement resumes, changes to the services, deliverables, performance dates, and/or agreement terms resulting from the suspension or stop work notification shall require an amendment to the Agreement.
- e. If a suspension or stop work notification is not canceled and the Agreement is cancelled or terminated pursuant to the provision entitled Cancellation / Termination, AHP shall allow reasonable costs resulting from the suspension or stop work notification in arriving at the settlement costs.
- f. Neither AHP nor DHCS shall be liable to the Subcontractor for loss of profits because of any suspension or stop work notification issued under this clause.

35. Public Communications

"Electronic and printed documents developed and produced, for public communications shall follow the following requirements to comply with Section 508 of the Rehabilitation Act and the American with Disabilities Act:

A. Ensure visual-impaired, hearing impaired and other special needs audiences are provided material information in formats that provide the most assistance in making informed choices."

36. Legal Services Contract Requirements (INTENTIONALLY OMITTED)

37. Compliance with Statutes and Regulations

- a. The Subcontractor shall comply in all material respects with all California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to Subcontractor's performance under the Agreement.
- b. These authorities include, but are not limited to, Title 2, Code of Federal Regulations (CFR) Part 200, subpart F, Appendix II; Title 42 CFR Part 431; subpart F; Title 42 CFR Part 433, subpart D; Title 42 CFR 434; Title 45 CFR Part 75, subpart D; and title 45 CFR Part 95, subpart F. To the extent applicable under federal law, this Agreement shall incorporate the contractual provisions in these federal regulations, and they shall supersede any conflicting provisions in this Agreement.

38. Lobbying Restrictions and Disclosure Certification

(Applicable to federally funded agreements in excess of \$100,000 per Section 1352 of the 31, U.S.C.)

- a. Certification and Disclosure Requirements
 - (1) Each person (or recipient) who requests or receives a contract or agreement, subcontract, grant or subgrant, which is subject to Section 1352 of the 31, U.S.C., are which exceeds \$100,000 at any tier, shall file a certification (in the form set forth in this Attachment B, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Paragraph b of this provision.
 - (2) Each recipient shall file a disclosure (in the form set forth in this Attachment B, entitled "Standard Form-LLL 'Disclosure of Lobbying Activities'") if such recipient has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered federal action) in connection with an agreement, or grant or any extension or amendment of that agreement, or grant, which would be prohibited under Paragraph b of this provision if paid for with appropriated funds.
 - (3) Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure from previously filed by such person under Paragraph a (2) herein. An event that materially affects the accuracy of the information reported includes:
 - a. A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
 - b. A change in the person(s) or individual(s) influencing or attempting to influence a covered federal action; or
 - c. A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.
 - (4) Each person (or recipient) who requests or receives from a person referred to in Paragraph a(1) of this provision a contract or agreement, subcontract, grant

or subgrant exceeding \$100,000 at any tier under a contract or agreement, or grant shall file a certification, and a disclosure form, if required, to the next tier above.

- (5) All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph a (1) of this provision. That person shall forward all disclosure forms to AHP Contract Office or Project Manager.

b. Prohibition

Section 1352 of Title 31 U.S.C., provides in part that no appropriated funds may be expended by the recipient of a federal contract or agreement, grant, loan or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract or agreement, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, or agreement, grant, loan or cooperative agreement.

Attachment 1
CERTIFICATION REGARDING LOBBYING

The recipient certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned must complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" (Attachment 2) in accordance with its instructions.
3. The recipient must require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all subrecipients must certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., any person who fails to file the required certification will be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By signing or otherwise accepting the Agreement, the recipient certifies and files this Attachment 1. **CERTIFICATION REGARDING LOBBYING**, as required by Section 1352, Title 31, U.S.C., unless the conditions stated in paragraph 2 above exist. In such case, the awardee/contractor/Subcontractor must complete and sign Attachment 2. **CERTIFICATION REGARDING LOBBYING and returning it to AHP on behalf of the Department of Health Care Services.**

AHP reserves the right to notify the Subcontractor in writing of an alternate submission address.

Attachment 2-CERTIFICATION REGARDING LOBBYING

Approved by OMB (0348-0046)

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

1. Type of Federal Action:		2. Status of Federal Action:		3. Report Type:	
-	contract grant cooperative agreement loan loan guarantee loan insurance	-	bid/offer/application initial award post-award	-	initial filing material change For Material Change Only: Year Quarter Date of last report
4. Name and Address of Reporting Entity:			5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:		
Prime Subawardee Tier , if known Congressional District, If known:			Congressional District, If known:		
6. Federal Department/Agency			7. Federal Program Name/Description:		
			CDFA Number, if applicable:		
8. Federal Action Number, if known:			9. Award Amount, if known:		
10.a. Name and Address of Lobbying Registrant (If individual, last name, first name, MI):			b. Individuals Performing Services (including address if different from 10a. (Last name, First name, MI):		
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person that fails to file the required disclosure shall be subject to a not more than \$100,000 for each such failure.					
Signature:					
Print Name:					
Title:					
Telephone Number:					
Date:					
Federal Use Only		Authorized for Local Reproduction Standard Form-LLL (Rev. 7-97)			

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier.

Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001".
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

Special Terms and Conditions (PART 2)

ADDITIONAL PROVISIONS

(Adapted for Bridge Funding under DHCS Agreement **24-40129 SOR IV CA H&SS**)

(Department of Health Care Services, Exhibit E)

1. Amendment Process (INTENTIONALLY OMITTED)

2. Insurance Requirements

Subcontractor must comply with the following insurance requirements:

A. General Provisions Applying to All Policies

1. Coverage Term

Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least thirty (30) days prior to the expiration of this insurance. Any new insurance must still comply to the original terms of the contract.

2. Policy Cancellation or Termination & Notice of Non-Renewal

Contractor is responsible to notify the State within thirty (30) days of any cancellation, non-renewal or material change that affects required insurance coverage. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.

3. Deductible & Other Costs

Contractor is responsible for any deductible or self-insured retention contained within their insurance program, or any premiums or assessments.

4. Primary Clause

Any required insurance contained in this contract must be primary, and not excess or contributory, to any other insurance carried by the State.

5. Insurance Carrier Required Rating

All insurance companies must carry an A rating or better. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.

6. Endorsements

Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

7. Inadequate Insurance

Inadequate or lack of insurance does not negate the Contractor's obligations under the contract.

8. Subcontractors

If Contractor has identified subcontractors for the work/services identified in the scope of work, the Contractor must include all subcontractors as insureds under Contractor's insurance or supply evidence of subcontractor's insurance to the State equal to policies, coverages and limits required of Contractor.

9. Certificate of Insurance

The Contractor shall furnish a Certificate of Insurance for in complete compliance with the terms of the applicable insurance requirements in this provision (i.e., coverage type; dollar limit per occurrence; cancellation requires notification to DHCS at least thirty (30) days in advance; and the State of California, its officers, agents, and employees are included as additional insureds with respect to work performed for the State of California under this Agreement).

B. Commercial General Liability

Contractor and any subcontractors must maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limits must apply separately to this project/location, or the general aggregate limit must be twice the required occurrence limit. If the aggregate applies "per project/location" it must so state on the certificate. The policy must include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance must apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability. The policy must be endorsed to include the State of California, its officers, agents and employees as additional insured with respect to work performed under the contract. The additional insured endorsement must be provided with the certificate of insurance.

C. Automobile Liability

Contractor must maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance must cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles. The policy must be endorsed to include the State of California, its officers, agents and employees as additional insured with respect to work performed under the contract. The additional insured endorsement must be provided with the certificate of insurance.

D. Workers Compensation and Employers Liability

Contractor must maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Contract. Employer's liability limits of \$1,000,000 are required. The Workers' Compensation policy must be endorsed with a waiver of subrogation in favor of the State.

3. Avoidance of Conflicts of Interest by Subcontractor

A. AHP intends to avoid any real or apparent conflict of interest on the part of the Subcontractor, or employees, officers, and directors of the Subcontractor or lower-tier subcontractors. Thus, AHP reserves the right to determine, at its sole discretion, whether any information, assertion or claim received from any source indicates the existence of a real or apparent conflict of interest; and, if a conflict is found to exist, to require the Subcontractor to submit additional information or a plan for resolving the conflict, subject to AHP review and prior approval.

B. Conflicts of interest include, but are not limited to:

- 1) An instance where the Subcontractor, or any of its lower-tier subcontractors, or any employee, officer, or director of the Subcontractor or any lower-tier subcontractor has an interest, financial or otherwise, whereby the use or disclosure of information

obtained while performing services under the Contract would allow for private or personal benefit or for any purpose that is contrary to the goals and objectives of the Contract.

- 2) An instance where the Subcontractor's or any lower-tier subcontractor's employees, officers, or directors use their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business, or other ties.
- C. If AHP is or becomes aware of a known or suspected conflict of interest, the Subcontractor will be given an opportunity to submit additional information or to resolve the conflict. A Subcontractor with a suspected conflict of interest will have five (5) working days from the date of notification of the conflict by AHP to provide complete information regarding the suspected conflict. If a conflict of interest is determined to exist by AHP and cannot be resolved to the satisfaction of AHP, the conflict will be grounds for terminating the Agreement. AHP may, at its discretion upon receipt of a written request from the Subcontractor, authorize an extension of the timeline indicated herein.

4. Subcontractor Conduct and Filing Requirements

- A. When a Subcontractor, lower tier subcontractor, or consultant or representative of a Subcontractor, lower tier subcontractor, or consultant performs work on DHCS premises, the Subcontractor, lower tier subcontractor, or consultant shall follow and adhere to all DHCS policies and procedures including, but not limited to, those governing health and safety, nondiscrimination, appropriate vehicle use, travel reimbursement, security and confidentiality of information, incompatible activities, acceptable employee conduct, information technology protocols and requirements, workplace violence prevention, and conflict of interest filing instructions (if applicable). Subcontractors, lower tier subcontractors, or consultants may not access DHCS confidential, personal, or sensitive information until they have been trained on the DHCS policies and procedures for information privacy and security and sign a Confidentiality Statement. The training may be accomplished through on-line Privacy/Security Training on the DHCS intranet.
- B. Certain consultants designated by the DHCS' Conflict of Interest Code are required to complete and file a Statement of Economic Interests, Form 700. The Subcontractor agrees that if the Director of DHCS or his/her designee (i.e., Program Contract Manager, etc.) determines that a Statement of Economic Interests, Form 700, is required based upon the nature of the services that are to be performed, the Consultant shall be so notified by AHP and the Consultant shall obtain a Form 700 and filing instructions from AHP/DHCS' Personnel Office or the Fair Political Practices Commission and fully complete the Form 700. The Consultant shall file the completed Form 700 in a timely manner with the DHCS Personnel Office and submit a copy to the AHP Contract Representative. Failure to obtain, complete, or file a Form 700 in a timely manner as instructed by AHP/DHCS, may result in immediate contract termination or Consultant substitution/replacement.

5. Prohibited Follow-on Subcontracts

- A. No person, firm, or subsidiary thereof who has been awarded a consulting services agreement may submit a bid for, nor be awarded an agreement for, the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed appropriate in the end product of the consulting services agreement.
- B. Paragraph A does not apply to any person, firm, or subsidiary thereof who is awarded a subcontract of a consulting services agreement which totals no more than 10 percent of the total monetary value of the consulting services agreement.
- C. Paragraphs A and B do not apply to consulting services agreements subject to Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code.

6. Novation Requirements (INTENTIONALLY OMITTED)

Business Associate Agreement (“BAA”) Addendum

1. This Agreement has been determined to constitute a business associate relationship under the Health Insurance Portability and Accountability Act (HIPAA) and its implementing privacy and security regulations at 45 Code of Federal Regulations, Parts 160 and 164 (collectively, and as used in this Agreement).
2. The term “Agreement” as used in this document refers to and includes both this BAA Addendum and the contract to which this BAA is attached as an addendum/exhibit, if any.
3. For purposes of this Agreement, the term “Business Associate” shall have the same meaning as set forth in 45 CFR section 160.103.
4. **Subcontractor, the Covered Entity**, understands that **Business Associate (ADVOCATES FOR HUMAN POTENTIAL, “AHP”)** may create, receive, maintain, transmit to the California Department of Health Care Services (DHCS) or aggregate certain information pursuant to the terms of this Agreement, some of which information may constitute Protected Health Information (PHI) and/or confidential information protected by federal and/or state laws.
 - 4.1 As used in this Agreement and unless otherwise stated, the term “PHI” refers to and includes both “PHI” as defined at 45 CFR section 160.103 and Personal Information (PI) as defined in the Information Practices Act (IPA) at California Civil Code section 1798.3(a). PHI includes information in any form, including paper, oral, and electronic.
 - 4.2 As used in this Agreement, the term “confidential information” refers to information not otherwise defined as PHI in Section 4.1 of this Agreement, but to which state and/or federal privacy and/or security protections apply.
5. Business Associate is acting on DHCS’s behalf and provides services or arranges, performs, or assists in the performance of functions or activities on behalf of DHCS, and may create, receive, maintain, transmit, aggregate, use or disclose PHI (collectively, “use or disclose PHI”) in order to fulfill Business Associate’s obligations under this Agreement. Business Associate and Subcontractor are each a party to this Agreement and are collectively referred to as the “parties.”
6. The terms used in this Agreement, but not otherwise defined, shall have the same meanings as those terms in HIPAA and/or the IPA. Any reference to statutory or regulatory language shall be to such language as in effect or as amended.
7. **Permitted Uses and Disclosures of PHI by Business Associate.** Except as otherwise indicated in this Agreement, Business Associate may use or disclose PHI, inclusive of de-identified data derived from such PHI, only to perform functions, activities or services specified in this Agreement on behalf of Covered Entity, provided that such use or disclosure would not violate HIPAA or other applicable laws if done by Covered Entity.
 - 7.1 **Specific Use and Disclosure Provisions.** Except as otherwise indicated in this Agreement, Business Associate may use and disclose PHI if necessary for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate. Business Associate may disclose PHI for this purpose if the disclosure is required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person. The person shall notify the Business Associate of any instances of which the person is aware that the confidentiality of the information has been breached, unless such person is a treatment provider not acting as a business associate of Business Associate.

8 Compliance with Other Applicable Law.

- 8.1** To the extent that other state and/or federal laws provide additional, stricter and/or more protective (collectively, "more protective") privacy and/or security protections to PHI or other confidential information covered under this Agreement beyond those provided through HIPAA, Business Associate agrees:
 - 8.1.1** To comply with the more protective of the privacy and security standards set forth in applicable state or federal laws to the extent such standards provide a greater degree of protection and security than HIPAA or are otherwise more favorable to the individuals whose information is concerned; and
 - 8.1.2** To treat any violation of such additional and/or more protective standards as a breach or security incident, as appropriate, pursuant to Section 18 of this Agreement.
- 8.2** Examples of laws that provide additional and/or stricter privacy protections to certain types of PHI and/or confidential information, as defined in Section 4. of this Agreement, include but are not limited to the Information Practices Act, California Civil Code sections 1798-1798.78, Confidentiality of Substance Use Disorder Patient Records, 42 CFR Part 2, Welfare and Institutions Code section 5328, and California Health and Safety Code section 11845.5.
- 8.3** If Business Associate is a Qualified Service Organization (QSO) as defined in 42 CFR section 2.11, Business Associate agrees to be bound by and comply with subdivisions (2)(i) and (2)(ii) under the definition of QSO in 42 CFR section 2.11.

9 Additional Responsibilities of Business Associate.

- 9.1 Nondisclosure.** Business Associate shall not use or disclose PHI or other confidential information other than as permitted or required by this Agreement or as required by law.
- 9.2 Safeguards and Security.**
 - 9.2.1** Business Associate shall use safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI and other confidential data and comply, where applicable, with subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent use or disclosure of the information other than as provided for by this Agreement. Such safeguards shall be based on applicable Federal Information Processing Standards (FIPS) Publication 199 protection levels.
 - 9.2.2** Business Associate shall, at a minimum, utilize a National Institute of Standards and Technology Special Publication (NIST SP) 800-53 compliant security framework when selecting and implementing its security controls and shall maintain continuous compliance with NIST SP 800-53 as it may be updated from time to time. The current version of [NIST SP 800-53, Revision 5](#), is available online at; updates will be available online through the [Computer Security Resource Center website](#).
 - 9.2.3** Business Associate shall employ FIPS 140-2 validated encryption of PHI at rest and in motion unless Business Associate determines it is not reasonable and appropriate to do so based upon a risk assessment, and equivalent alternative measures are in place and documented as such. FIPS 140-2 validation can be determined online through the [Cryptographic Module Validation Program Search](#), with information about the [Cryptographic Module Validation Program under FIPS 140-2](#). In addition, Business Associate shall maintain, at a minimum, the most current industry standards for transmission and storage of PHI and other confidential information.

- 9.2.4** Business Associate shall apply security patches and upgrades, and keep virus software up to date, on all systems on which PHI and other confidential information may be used.
- 9.2.5** Business Associate shall ensure that all members of its workforce with access to PHI and/or other confidential information sign a confidentiality statement prior to access to such data. The statement must be renewed annually.
- 9.2.6** Business Associate shall identify the security official who is responsible for the development and implementation of the policies and procedures required by 45 CFR Part 164, Subpart C.

9.3. Business Associate's Agent. Business Associate shall ensure that any agents, subcontractors, subawardees, vendors or others (collectively, "agents") that use or disclose PHI and/or confidential information on behalf of Business Associate agree to the same restrictions and conditions that apply to Business Associate with respect to such PHI and/or confidential information.

- 10. Mitigation of Harmful Effects.** Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI and other confidential information in violation of the requirements of this Agreement.
- 11. Access to PHI.** Business Associate shall make PHI available in accordance with 45 CFR section 164.524.
- 12. Amendment of PHI.** Business Associate shall make PHI available for amendment and incorporate any amendments to PHI in accordance with 45 CFR section 164.526.
- 13. Accounting for Disclosures.** Business Associate shall make available the information required to provide an accounting of disclosures in accordance with 45 CFR section 164.528.
- 14. Collaboration.** The parties shall collaborate as appropriate and necessary to ensure compliance with this Agreement, including but not limited to Sections 11 – 13 of this Agreement. The parties acknowledge and agree that neither party intends that this Agreement shall create obligations and/or liabilities that do not otherwise exist as appropriate based on the nature of the work performed and applicable law.
- 15. Compliance with DHCS Obligations.** To the extent Business Associate is to carry out an obligation under 45 CFR Part 164, Subpart E, Business Associate shall comply with the requirements of the subpart that apply in the performance of such obligation.
- 16. Access to Practices, Books and Records.** Business Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI on behalf of Covered Entity available to Covered Entity upon reasonable request, and to the federal Secretary of Health and Human Services for purposes of determining compliance with 45 CFR Part 164, Subpart E.
- 17. Return or Destroy PHI on Termination; Survival.** At termination of this Agreement, if feasible, Business Associate shall return or destroy all PHI and other confidential information received from, or created or received by Business Associate on behalf of, Covered Entity that Business Associate still maintains in any form and retain no copies of such information. If return or destruction is not feasible, Business Associate shall notify Covered Entity of the conditions that make the return or destruction infeasible and Business Associate and Covered Entity shall determine the terms and conditions under which Business Associate may retain the PHI. If such return or destruction is not feasible, Business Associate shall extend the protections of this Agreement to the information and

limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

18. Special Provision for SSA Data. If Business Associate receives data from or on behalf of Covered Entity that was verified by or provided by the Social Security Administration (SSA data) and is subject to an agreement between Covered Entity and SSA, Business Associate shall provide, upon request by Covered Entity, a list of all employees and agents who have access to such data, including employees and agents of its agents, to Covered Entity.

19. Breaches and Security Incidents. Business Associate shall implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and take the following steps:

19.1 Notice to Covered Entity.

19.1.1 Business Associate shall notify Covered Entity immediately upon the discovery of a suspected breach or security incident that involves SSA data. This notification will be provided by email upon discovery of the breach. If Business Associate is unable to provide notification by email, then Business Associate shall provide notice by telephone to Covered Entity.

19.1.2 Business Associate shall notify Covered Entity within 24 hours by email (or by telephone if Business Associate is unable to email Covered Entity) of the discovery of the following, unless attributable to a treatment provider that is not acting as a business associate of Business Associate:

19.1.2.1 Unsecured PHI if the PHI is reasonably believed to have been accessed or acquired by an unauthorized person;

19.1.2.2 Any suspected security incident that risks unauthorized access to PHI and/or other confidential information;

19.1.2.3 Any intrusion or unauthorized access, use or disclosure of PHI in violation of this Agreement; or

19.1.2.4 Potential loss of confidential information affecting this Agreement.

19.1.3 Notice shall be provided to the Covered Entity using the Contact Information provided in this Agreement. Notice shall be made using the current DHCS "Privacy Incident Reporting Form" ("PIR Form;" the initial notice of a security incident or breach that is submitted is referred to as an "Initial PIR Form") and shall include all information known at the time the incident is reported. The form is available online at the [DHCS Data Privacy webpage](#).

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI, Business Associate shall take:

19.1.3.1 Prompt action to mitigate any risks or damages involved with the security incident or breach; and

19.1.3.2 Any action pertaining to such unauthorized disclosure required by **applicable Federal and State law**.

19.2 Investigation. Business Associate shall immediately investigate such security incident or confidential breach.

19.3 Complete Report. Business Associate shall provide a complete report of the investigation to Covered Entity contact(s) within ten (10) working days of the discovery of the security incident or breach. This "Final PIR" must include any applicable additional information not included in the Initial Form. The Final PIR Form shall include an assessment of all known factors relevant to a determination of whether a breach occurred under HIPAA and other applicable federal and state laws. The report shall also include a full, detailed corrective action plan, including its implementation date and information on mitigation measures taken to halt and/or contain the improper use or disclosure. If Covered Entity requests information in addition to that requested through the PIR form, Business Associate shall make reasonable efforts to provide Covered Entity with such information. A "Supplemental PIR" may be used to submit revised or additional information after the Final PIR is submitted. Covered Entity will review and approve or disapprove Business Associate's determination of whether a breach occurred, whether the security incident or breach is reportable to the appropriate entities, if individual notifications are required, and Business Associate's corrective action plan.

19.3.1 If Business Associate does not complete a Final PIR within the ten (10) working day timeframe, Business Associate shall request approval from Covered Entity within the ten (10) working day timeframe of a new submission timeframe for the Final PIR.

19.4 Notification of Individuals. If the cause of a breach is attributable to Business Associate or its agents, other than when attributable to a treatment provider that is not acting as a business associate of Business Associate, Business Associate shall notify individuals accordingly and shall pay all costs of such notifications, as well as all costs associated with the breach. The notifications shall comply with applicable federal and state law. DHCS shall approve the time, manner, and content of any such notifications, and DHCS's review and approval must be obtained before the notifications are made.

19.5 Responsibility for Reporting of Breaches to Entities Other than Covered Entity. If the cause of a breach of PHI is attributable to Business Associate or its agents, other than when attributable to a treatment provider that is not acting as a business associate of Business Associate, Business Associate is responsible for all required reporting of the breach as required by applicable federal and state law.

19.6 For purposes of this BAA, the Business Associate shall initiate contact with the Covered Entity Contracting Officer, as specified in Section 6.2 of the Subcontract between the parties. If no officer has been so specified, then the Covered Entity shall be responsible to give the Business Associate appropriate written notice to the Business Associate of the individual on behalf of the Covered Entity who is to receive notice(s) for purposes of this BAA. Covered Entity may make changes to the contact information by giving written notice to Business Associate, which changes shall not require an amendment to this Agreement.

20. Responsibility of Covered Entity. Covered Entity agrees to not request the Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA and/or other applicable federal and/or state law.

21. Audits, Inspection, and Enforcement.

21.1 From time to time, Covered Entity may request to inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement. Business Associate shall promptly remedy any violation of this Agreement and shall certify the same to Covered Entity in writing. Whether or how Covered Entity exercises this provision shall

not in any respect relieve Business Associate of its responsibility to comply with this Agreement.

- 21.2** If Business Associate is the subject of an audit, compliance review, investigation or any proceeding that is related to the performance of its obligations pursuant to this Agreement or is the subject of any judicial or administrative proceeding alleging a violation of HIPAA, Business Associate shall promptly notify Covered Entity unless it is legally prohibited from doing so.

22. Termination.

- 22.1 Termination for Cause.** Upon Covered Entity's knowledge of a violation of this Agreement by Business Associate, Covered Entity may in its discretion:
- 22.1.1** Provide an opportunity for Business Associate to cure the violation and terminate this Agreement if Business Associate does not do so within the time specified by Covered Entity; or
- 22.1.2** Terminate this Agreement if Business Associate has violated a material term of this Agreement.
- 22.2 Judicial or Administrative Proceedings.** Covered Entity may terminate this Agreement if Business Associate is found to have violated HIPAA, or stipulates or consents to any such conclusion, in any judicial or administrative proceeding.

23. Miscellaneous Provisions.

- 23.1 Disclaimer.** Covered Entity makes no warranty or representation that compliance by Business Associate with this Agreement will satisfy Business Associate's business needs or compliance obligations. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI and other confidential information.
- 23.2 Amendment.**
- 23.2.1** Any provision of this Agreement which is in conflict with current or future applicable Federal or State laws is hereby amended to conform to the provisions of those laws. Such amendment of this Agreement shall be effective on the effective date of the laws necessitating it and shall be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the parties.
- 23.2.2** Failure by Business Associate to take necessary actions required by amendments to this Agreement under Section 22.2.1 shall constitute a material violation of this Agreement.
- 23.3 Assistance in Litigation or Administrative Proceedings.** Business Associate shall make itself and its employees and agents available to Covered Entity at no cost to Covered Entity to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers and/or employees based upon claimed violation of HIPAA that involves inactions or actions by the Business Associate.

23.4 No Third-Party Beneficiaries. Nothing in this Agreement is intended to or shall confer upon any third person any rights or remedies whatsoever.

23.5 Interpretation. The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA and other applicable laws.

23.6 No Waiver of Obligations. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

ATTACHMENT C

Awardee Name: TEHAMA COUNTY HEALTH SERVICES AGENCY-RED BLUFF

Unique Identifier: HSSCAB05

Statement of Work (SOW)

Hub and Spoke System State Opioid Response IV (H&SS SOR IV)

Task and Time	Task Description	Task Due
Task 1 (1/1/25- 6/30/25)	<p>Implementation Plan</p> <p>1. Use the AHP Implementation Plan template to outline your site's plan for successful planning, implementation and completion of the H&SS SOR IV project including staff and/or subcontractors' who are responsible for ensuring:</p> <p>A) Purchase and documentation of necessary program equipment and supplies (e.g.: software subscriptions, cell phone costs, outreach materials, durable goods, etc.). A DHCS-approved inventory template will be provided for documentation;</p> <p>B) Submission of monthly invoices, including required payroll register and purchase receipts. Instructions about the payroll register and a subcontractor approval form will be provided by AHP;</p> <p>C) Adequate project staffing per the H&SS SOR IV RFA including case management, medical provider of record, state-certified peer recovery support specialist (at minimum of .5 FTE on MAT team within first two quarters of contract execution), GPRA interview and incentive management, and UCLA, AHP, and GPRA data entry;</p> <p>D) Adequate project services and referral requirements, including substance use disorder (SUD), medication assisted treatment (MAT) delivery and counseling, telehealth, recovery support, harm reduction and referrals among hubs and spokes, and additional programs for necessary services (e.g.: housing, transportation, and employment support, etc.);</p> <p>E) If the site plans to optionally extend service hours up to fourteen (14) hours for Spokes and eighteen (18) hours for Hubs as warranted by site-specific metrics, provide a plan outline with explanatory data within six (6) quarters of SOR IV contract execution.</p>	7/15/25
Task 2 (1/1/25- 9/29/27)	Treatment Services for Opioid Use Disorder (OUD) and Stimulant Use Disorder (StUD)	Monthly

	<ol style="list-style-type: none"> 1. Delivery of evidence-based substance use disorder treatment including: <ol style="list-style-type: none"> A) patient-centered care approach to medication for assisted treatment (MAT) (aka: Medication for Opioid Use Disorder MOUD) including diagnosis of OUD and SUD by standardized assessment tools; B) provision of primarily methadone at Hub sites in adherence to standards of care and referrals to Spokes or prescription of other MAT as clinically indicated; C) prescription of buprenorphine formulations at Spoke sites and naltrexone as indicated and facilitation and confirmation of prescription fulfillment with identified pharmacy; D) access to maternal addiction services onsite or via referral with collaborative support from a delivery facility capable of comprehensive maternal-infant support; E) provision of case management to support patient connection to services necessary to treatment retention and improved well-being, including but not limited to, coordination and follow-up of referral to and enrollment in Medi-Cal, other insurance and benefits (e.g. veterans or senior services), mental health care, employment, education, transportation, and food or income assistance; F) telehealth treatment and recovery services as appropriate to patient needs, including peer recovery support services delivered by a state-certified peer recovery support specialist. 2. Use and distribution of evidence-based treatment and harm reduction supplies (e.g.: xylazine and fentanyl test strips, overdose reversal kits, drug disposal pouches, safe storage lock boxes, HIV and HCV tests, urinalysis tests, etc.); 3. Harm reduction and OUD education, collaboration and outreach with county behavioral health providers, other SUD programs and services, marginalized persons, including those re-entering the community following incarceration, MAT patients and their families. 	
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<p>Task 3 (1/1/25-9/29/27)</p>	<p>Data and Reporting Requirements</p> <ol style="list-style-type: none"> 1. Comply with any and all federal or state data reporting requirements as noted in the H&SS SOR IV RFA (Attachment G). Note: required data reporting elements are subject to change, contingent on the needs of DHCS and SAMHSA. 2. Submit monthly data and progress reports using the AHP data and reporting template via a portal on the H&SS website. Complete the Environmental Asset Mapping (EAM) tool and Program Sustainability Assessment Tool (PSAT) by 3/31/25 which are required prior to site visit scheduling. The final AHP data is due 9/29/27. 3. Submit monthly invoices and appropriate expense justification documentation using the AHP invoice form and instructions by the 15th of each month from 2/15/25 through 9/30/27. The final invoice is due 9/29/27. 4. Submit patient intake GPRA interviews on at least a monthly basis via the REDCap data portal per Aurrera Health Group. Meet required completion rate of eighty-percent (80%) for all SOR-eligible intake patients, defined as those whose MAT care includes MOUD cost and/or direct patient care by a staff member receiving some wages from SOR IV and/or specified State GPRA requirements. Meet eighty-percent (80%) completion rate for the six [6]-month follow-up and discharge interviews. The final GPRA data is due 9/29/27. 5. Submit quarterly data reports to DHCS through the UCLA ISAP Data Reporting Portal. Data reports are due on the 15th of the month following the close of each reporting quarter. The final data report is due on 9/29/2027. 6. View on-demand Data Reporting trainings offered by UCLA-ISAP. 	<p>GPRA and AHP data due 15th of each month with the final report due 9/29/27</p> <p>UCLA data due quarterly 4/15/25 7/15/25 10/15/25 1/15/26 4/15/26 7/15/26 10/15/26 1/15/27 4/15/27 7/15/27 9/29/27</p>
<p>Task 4 (1/1/25-9/29/27)</p>	<p>Training and Technical Assistance Requirements</p> <ol style="list-style-type: none"> 1. Participate in quarterly (four [4] per year) regional Learning Collaboratives (LC) delivered by UCLA-Integrated Substance Abuse Programs (ISAP) on the first Wednesday of each quarter for sites located in Northern California and Capitol regions and the second Wednesday of each quarter for sites located in the Bay/Central and Southern California regions. At least two (2) representatives from each site must participate in each LC, including one clinical member of each MAT services team (i.e.: physician, physician assistant, nurse practitioner, nurse, psychologist, mental health counselor/therapist, addiction counselor/therapist, or social worker). 	<p>Monthly and Quarterly (schedule TBD)</p>

	<ol style="list-style-type: none"> 2. Participate in four (4) educational webinars on a quarterly basis delivered by UCLA-ISAP. At least one representative from each site must participate in each webinar. 3. Participate in a minimum of two (2) administrative webinars delivered annually by AHP on topics including contracting, invoicing, data collection, performance measures, and site visit planning. At least one representative from each site must participate in each webinar. 4. Participate in regional and/or individual site administrative and compliance coaching calls with the designated AHP Project Coach no less than twice per quarter (eight [8] per year). 5. All organizations (both hubs and spokes) offering extended service delivery hours must participate in at least one (1) Technical Assistance webinar annually on the topic of extended service hours best practices and data collection. At least one representative from sites participating in this option must participate in this annual webinar. 6. Key MAT team members at selected H&SS sites will be required to participate in on-site visits and mini in-person/virtual Learning Collaboratives (LCs) scheduled with all H&SS SOR IV subcontractors throughout the period of performance. Additional regional H&SS sites will be invited to attend with a minimum month advance notice. On-site visits will take place from 4/15/25 through 9/29/27 with representatives from the UCLA data team and DHCS participating in on-site schedules permitting. 7. All staff members tasked with completing GPRA interviews must attend or view 1) the initial GPRA training (GPRA 101) from Aurrera Health Group, available at the DHCS Opioid Response website, and 2) at least one additional GPRA training webinar annually provided by Aurrera Health Group. 8. Participation in optional TTA delivered by UCLA-ISAP, the UCLA-data team, Aurrera Health Group, and AHP is available on an as-needed basis or as requested by regional groups or individual subcontractors. Open Office Hours are hosted by AHP with voluntary participation by organizations on a minimum quarterly basis. 	
Task 5 (7/1/27-9/29/27)	Close Out Requirements <ol style="list-style-type: none"> 1. Use the H&SS SOR IV Close Out Report template to provide a brief narrative overview of site-specific activities during the Period of Performance. The final report is due 9/29/27. 	9/29/27

	<ol style="list-style-type: none">2. Any unobligated funds must be returned to AHP which will then be returned to DHCS. Funds must be returned by 9/29/27.3. AHP will issue instructions on behalf of DHCS for final disposition of state equipment and/or property acquired with H&SS SOR IV funds. (under Section 4. Equipment/Property Ownership / Inventory / Disposition. Attachment B.)	
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ATTACHMENT D

California Department of Health Care Services Hub & Spoke SOR IV Budget - Period of Performance 01/01/2025-09/29/2027 (33 months)

Subcontractor Organization Name	Tehama County Health Services Agency	H&SS Unique ID	HSSCAB05
Subcontractor Address	1850 Walnut St Red Bluff CA 96080	Fringe % for this budget	67.67%
Accounting Point of Contact Name	Deanna Gee	Indirect Costs % (<i>maximum 15% per allowable de minimis.</i> <i>NOTE: this cap is waived for tribal entities.</i>)	15.00%
Accounting Point of Contact Email Address	deanna.gee@tchsa.net	Administrative Fees % (5% maximum)	5.00%
Preparer Phone #	530-527-8491 x3236		

Budget Category	Subcontractor Budget Amount	
A. Personnel (payroll associated with H&SS SOR IV activity). Please provide a list of employee names, FTE, and wage in the Personnel Calculation Worksheet which is included in this Excel workbook. A payroll register will be required to justify cost reimbursement.	226,705.50	
B. Fringe Benefits (enter % above in cell E3)	153,412.00	
C. Subcontractor and Consultant Costs. Please provide a list of names and value of subcontract or consultant agreement.	1.00	
D. Treatment Supplies (FDA approved medication, devices for OUD & withdrawal management, e.g.: methadone pump, patient care equipment, xylazine test strips, drug tests, drug disposal, etc.)	7,500.00	
E. Outreach Materials (eg.: online advertising, fliers, bus & bus bench ads)	2,500.00	
F. Program Equipment and Supplies (eg.: durable goods, printers, cell phones, EHR and other platform and app subscriptions, etc.)	3,500.00	
G. Patient GPRA incentives and other direct payment support (eg.: allowable food and beverage, per Allowable Expenses sheet, etc.)	0.00	
H. Patient Transportation	1,000.00	
I. Staff Training and Education (eg.: registration fees, tuition, certification and licensure fees, etc.)	3,104.77	
J. Staff Travel (eg.: local travel and pre-approved travel to in-State conferences, etc.)	750.00	
TOTAL DIRECT COSTS (sum of items A-J)	398,473.27	
K. Indirect Costs (maximum 15% de minimis) applied to Total Direct Costs	59,770.99	
Total Direct Costs and Indirect Costs (sum of items A-K)	458,244.26	
L. Administrative Fees (maximum 5%)	22,912.21	
TOTAL BUDGET	481,156.47	

Awardee Name: Tehama County Health Services Agency-Red Bluff **Unique Identifier:** (HSSCAB05)

ATTACHMENT E

Contractor and Subcontractor Compliance with Economic Sanctions Imposed in Response to Russia's Actions in Ukraine

EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement.

The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response.

Termination shall be at the sole discretion of the State.

This clause applies to Subcontractor. The reference to "State" shall mean AHP, and the reference to "Contractor" shall mean Subcontractor.

This clause shall be flowed down and apply to Subcontractor's lower-tier subcontractors and consultants.