

REQUEST FOR PROPOSAL

Early Learning Resource Centers

ISSUING OFFICE

**Commonwealth of Pennsylvania
Department of Human Services
Bureau of Financial Operations
Division of Procurement and Contract Management
Room 402 Health and Welfare Building
625 Forster Street
Harrisburg, PA 17120**

RFP NUMBER

30-16

DATE OF ISSUANCE

June 27, 2017

**REQUEST FOR PROPOSALS FOR
Early Learning Resource Centers**

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CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
<p>Deadline to submit questions via email to: RA-PWRFPQUESTIONS@PA.GOV</p>	Potential Offerors	July 14, 2017 2:00 PM EST
<p>Pre-Proposal Conference</p> <p>The Forum Auditorium 500 Walnut Street Harrisburg, PA 17120</p>	DHS/Potential Offerors	July 11, 2017 at 10:00 AM EST
<p>Answers to Potential Offeror questions posted to the DGS website http://www.emarketplace.state.pa.us/Search.aspx no later than this date.</p>	DHS	July 28, 2017
<p>Please monitor website for all communications regarding the RFP.</p>	Potential Offerors	On-going
<p>Sealed proposal must be received by the Issuing Office at:</p> <p>Commonwealth of Pennsylvania Department of Human Services Bureau of Financial Operations Division of Procurement & Contract Management Room 402, Health & Welfare Building 625 Forster Street Harrisburg, PA 17120</p>	Offerors	August 28, 2017 2:00 PM EST

PART I

GENERAL INFORMATION

- I-1. Purpose.** This request for proposals (“RFP”) provides to those interested in submitting proposals for the subject procurement (“Offerors”) sufficient information to enable them to prepare and submit proposals for the Department of Human Service’s (“Department” or “DHS”) consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need for the management and operation of Early Learning Resource Centers (“Project”). This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; requirements that Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.
- I-2. Issuing Office.** The DHS Office of Administration, Bureau of Financial Operations, Division of Procurement and Contract Management (“Issuing Office”) has issued this RFP on behalf of the Office of Child Development & Early Learning (“OCDEL”). The sole point of contact in the Commonwealth for this RFP shall be Karen Kern, RA-PWRFPQUESTIONS@PA.GOV, the Project Officer for this RFP. Please refer all inquiries to the Project Officer.
- I-3. Overview of Project.** Pennsylvania receives funding through the Child Care and Development and Block Grant (“CCDBG”) to support low-income working families’ access to high-quality child care. The work to support the CCDBG grant is currently performed on a regional or local level by two types of OCDEL business partners, the Child Care Information Services (“CCIS”) agencies and the Regional Keys.

Currently forty-two CCIS agencies manage Pennsylvania’s subsidized child care program, Child Care Works (“CCW”), at the local level. Through the CCISs families may receive assistance locating and paying for child care, and other resource and referral services in the community. CCISs also manage child care providers serving eligible children through provider agreements. This includes processing invoices, paying providers and issuing tax documents.

Currently five Regional Keys, (“Keys”) support child care providers’ participation in Keystone STARS. The Regional Keys are responsible for providing targeted technical assistance as needed by participating providers. Additionally the Keys conduct the designation process for providers to participate in Keystone STARS based on the Keystone STARS Performances Standards. Under the current system, the Keys manage the OCDEL-approved professional development for provider-identified needs based professional development as well as regulatory referrals from the Child Care Certification Representatives for providers who have training needs in order to be in compliance with basic health and safety.

Information regarding the current operations of the CCISs and Keys can be found in Appendix B. Part I, Section I-5 of this RFP provides information on accessing current operational communications for both types of business partners.

Pennsylvania’s regional Early Learning Resource Centers (“ELRC”) will provide a single access point for families, early learning service providers, and communities to gain information and access services that support children and families with the ultimate goal of improving the quality, accessibility, and affordability of early learning services in Pennsylvania. The creation of the new ELRCs will maximize resources serving families, providers, and the community, while also supporting enhanced efficiencies through the integration of the current work of the CCIS, the hub of child care information and referrals

in Pennsylvania and the administrator of the Child Care Works (“CCW”) subsidy program, and the Regional Keys, the Department’s technical assistance hubs.

The Department is seeking Offerors to provide the leadership, management, and administration of the regional ELRCs. An individual proposal must be submitted for each region being applied. The ELRC Service Region, estimated number of children and programs served, estimated child care allocations, and the Grants and Awards for Keystone STARS for each ELRC Service Region are provided in **Appendix A**.

I-4. Objectives.

A. General. The objective in initiating this RFP is to establish a single point of entry for families, early learning providers, local education agencies, and communities to gain information about and access consistent services to support children and families with the ultimate goal of improving the quality, accessibility, and affordability of early learning services in Pennsylvania.

B. Specific. The specific objective is to unify CCIS and Regional Key services into the ELRCs. DHS is seeking to identify and secure agreements with community-based business partners to provide leadership, management, and administration of all aspects of the Keystone STARS program recruitment, technical assistance, professional development, program monitoring, grants and awards, child care resource and referral, and CCW eligibility determinations, provider payments, provider management, and funds management services. The Commonwealth intends to achieve cost savings and efficiencies through the integration of the services currently provided by the CCIS and Regional Keys while enhancing services to eligible clients. Specific objectives are outlined below. Additional information about OCDEL, Keystone STARS, and CCW is also provided in **Appendix B** and **Part III** of this RFP.

<p>Improve Customer service</p>	<p>Increase Access to High-Quality Early Care and Education and Support Services</p>
	<p>Support for Families with Children Subsidized child care program:</p> <ul style="list-style-type: none"> • Communicate eligibility guidelines to community agencies and families • Determine family eligibility and redeterminations for the Low Income and Former TANF • Provide case management and establish enrollments for Low Income, Former TANF, TANF and SNAP children and families. <p>Resource and Referral Services, including resources and referrals for:</p> <ul style="list-style-type: none"> • Consumer Awareness of Keystone STARS and what to ask and look for when looking for child care and early learning programs • Early care and education programs – matching child and family needs to high-quality early learning programs • Continuity of care to support access to high-quality care and services • Full system of supports (Child Care Works, Women, Infants, and Children Food and Nutrition Program (“WIC”), Children’s Health Insurance Program (“CHIP”), Home Visiting, Early Intervention, Family Centers, Community Action Programs, Early Childhood Mental Health), and other local services. • Information - expulsion, suspension, Early Intervention, etc. • Earned Income tax credits registration • Voter registration <p>Application, eligibility, and redetermination for Child Care Works Subsidy Consumer Education (Families, Providers, General Public), including</p> <ul style="list-style-type: none"> • Defining the importance of Keystone STARS as it relates to improved outcomes for children • Role of certification-why it is essential to choose a certified child care program • Navigating the full system of care (families)
<p>Program Integrity</p>	

<p>Support for Early Care and Education Providers Facilitation and navigation of coordinated / aligned and individualized support services for diverse programs, including:</p> <ul style="list-style-type: none"> • Navigating the full system of supports • Supporting early care and education provider shared services alliances and networks • Information hub for potential child care providers including local capacity building supports for underserved areas • Child Care Works Provider Enrollment • Child and Adult Care Food Program (“CACFP”) Provider Enrollment • Utilization of Provider Self Service - Marketing, certificate renewal, update location and provider profile, and online invoicing, • Early Intervention Coordination Supports (utilizing services of EITA) • Professional development (utilizing content developed by PA Key) and technical assistance as referred by Certification (Ongoing Targeted support) - Follow-up to supervision (case planning and implementation) • Monitoring of Relative Care - Face-to-face meeting for approval (background checks, fingerprints, provider information, payment agreements, support to certification) 	
<p>Keystone STARS Case Management Keystone STARS, including</p> <ul style="list-style-type: none"> • Program recruitment and enrollment for higher STAR levels • Case management of STARS programs • Participation in a seamless monitoring system with Certification • Professional development, technical assistance and coaching (alignment with Certification and Early Intervention) – Coaching support • Management of funds to support quality at the program level • Monitoring and Designation - reciprocity opportunities • Continuous Quality Improvement Supports • Retention and move up (metric for success) • Consumer Awareness 	<p>CCW Case Management for Families Technical Assistance Monitoring/management of administrative/operation funds Waitlist management and monitoring</p>

Improve Customer service	Increase Access to High-Quality Early Care and Support Services
	<p>Coordination and Collaboration Activities</p> <ul style="list-style-type: none"> • Regional coordination activities including community planning • Working in partnership with OCDEL regional liaisons • Data/Information sharing with Certification, Early Intervention • Participating in workforce development/Professional Development with Certification and Workforce Development Boards. • Identifying qualified providers for certification and supporting initial screenings and orientation sessions of Certification applicants • Management of Relative Caregiver – support pathways to certification • Manage collaboration and transfer of data Support of Family Centers and Home Visitors (located at Early Intervention) • Collaboration with Certification Staff , Early Intervention and PA Key • Collaboration to support communication and quality improvement between Certification Reps and Early Learning Resource Center staff • Piloting Innovations through local partnerships and funding strategies • Deliver Technical Assistance based on provider needs and trends
	<p>Reporting/Internal Continuous Quality Improvement (“CQI”)</p> <ul style="list-style-type: none"> • Data Collection/Input and reporting • Local level data analysis regarding trends and opportunities for improvement • Support all requirements for mandated federal reporting • Collect and report data for the agency’s obligations under the National Voter Registration Act (“NVRA”)
Program Integrity	<p>Grant Management</p> <ul style="list-style-type: none"> • Across the functions of the ELRC (CCW and STARS) • Implementation, monitoring and management of direct service funds of Child Care Works • Grant eligibility letters • Financial monitoring • Family friendly application completion process for CCW and other OCDEL Programs • Distribution of payments (one framework for all ELRCs), online voucher/billing, electronic payments • Compliance with the rules of the IRS and Pennsylvania Department of Revenue (tax documents and files) • Independent audits <p>Fiscal Management</p> <ul style="list-style-type: none"> • Establish and maintain a process of fiscal integrity across scope of work • Manage Administrative and Service Allocations efficiently which includes monitoring and enrollment from the Subsidy waiting list. • Direct invoicing for child care services, review invoices, authorize payments, prepare payments by check or direct deposit, and maintain fiscal accounting records.

I-5. Access to Documents. An electronic online Procurement Library has been established at <http://www.dhs.pa.gov/learnaboutdhs/dhsorganization/officeofchilddevelopmentandearlylearning/>. The Procurement Library contains resource, training, policy, and related materials and documentation that Offerors may find useful in preparing their proposals. All possible effort has been made to ensure that library materials are complete and current. When a conflict exists, the RFP requirements specified herein will take precedence over materials in the online Procurement Library.

I-6. Method of Award. Offerors may submit proposals for one, all, or any combination of the ELRC Service Regions. Each ELRC Service Region must be submitted as a separate proposal containing Technical and Cost. After final evaluation of proposals, if it is determined to be in the Commonwealth’s best interest, the Commonwealth may request Offerors to submit integrated solutions for any combination of or all ELRC Service Regions.

I-7. Type of Agreement. DHS intends to award multiple grants as a result of this RFP. For those awards that are made, DHS will enter into a Firm, Fixed Price grant agreement containing the Standard Grant

Terms and Conditions as shown in **Part V**. All references in Part V to the “Contract” shall refer to the grant agreement(s), and all references to “Contractor” shall refer to the Grantee(s). Children served and providers are estimates.

The Department, in its sole discretion, may undertake negotiations with Offerors whose proposals, in the judgment of DHS, show them to be qualified, responsible, and capable of performing the Project.

- I-8. Rejection of Proposals.** The Department may, in its sole and complete discretion, reject any proposal received as a result of this RFP.
- I-9. Incurring Costs.** DHS is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the grant agreements.
- I-10. Pre-Proposal Conference.** DHS will hold a Pre-Proposal conference as specified in the Calendar of Events. The purpose of this conference is to provide opportunity for clarification of the RFP. Offerors should forward all questions to the Project Officer in accordance with **Part I, Section I-11** to ensure adequate time for analysis before DHS provides an answer. Offerors may also ask questions at the conference. The Pre-Proposal conference is for information only. Any answers furnished during the conference will not be official until they have been verified, in writing, by DHS. All questions and written answers will be posted on the Department of General Services’ (“DGS”) website as an addendum to, and shall become part of, this RFP. **Attendance at the Pre-Proposal Conference is optional, but strongly encouraged.**
- I-11. Questions & Answers.** If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email (**with the subject line “RFP 30-16 Question”**) to the Project Officer named in **Part I, Section I-2** of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date and time indicated on the Calendar of Events. The Offeror shall not attempt to contact the Project Officer by any other means. The Department shall post the answers to the questions on the DGS website by the date stated on the Calendar of Events.

An Offeror who submits a question *after* the deadline date for receipt of questions indicated on the Calendar of Events assumes the risk that its proposal will not be responsive or competitive because the Department is not able to respond before the proposal receipt date or in sufficient time for the Offeror to prepare a responsive or competitive proposal. When submitted after the deadline date for receipt of questions indicated on the Calendar of Events, the Project Officer *may* respond to questions of an administrative nature by directing the questioning Offeror to specific provisions in the RFP. To the extent that DHS decides to respond to a non-administrative question *after* the deadline date for receipt of questions indicated on the Calendar of Events, the answer must be provided to all Offerors through an addendum.

All questions and responses as posted on the DGS website are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-12**. Each Offeror shall be responsible to monitor the DGS website for new or revised RFP information. DHS shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by DHS.

- I-12. Addenda to the RFP.** If DHS deems it necessary to revise any part of this RFP before the proposal response date, DHS will post an addendum to the DGS website at <http://www.emarketplace.state.pa.us/Search.aspx>. It is the Offeror’s responsibility to periodically

check the website for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.

I-13. Response Date. To be considered for selection, hard copies of proposals must arrive at the Issuing Office on or before the time and date specified in the RFP Calendar of Events. DHS will **not** accept proposals via email or facsimile transmission. Offerors who send proposals by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission will be automatically extended until the next Commonwealth business day on which the office is open, unless the Issuing Office otherwise notifies Offerors. The hour for submission of proposals shall remain the same. DHS will reject, unopened, any late proposals.

I-14. Proposal Requirements.

A. Proposal Submission: To be considered, Offerors should submit a complete response to this RFP to the Issuing Office, using the format provided in **Section I-14B**, providing **seven (7) paper copies [one marked “ORIGINAL”] of the Technical Submittal and two (2) paper copies of the Cost Submittal. The ELRC Service Region name and reference number must be clearly indicated on the mailing label.** In addition to the paper copies of the proposal, Offerors shall submit **two complete and exact copies** of the entire proposal (Technical and Cost Submittals, along with all requested documents) on a Flash drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. Additionally, on the Flash Drive, include separate folders which contain a complete and exact copy of the entire Technical (excluding financial capability) Submittal in PDF (portable device format). To the extent that the Offeror designates information as confidential or proprietary or trade secret protected in accordance with **RFP Part I, Section I-20**, the Offeror must also include **one (1) redacted version** of the Technical Submittal, excluding financial capability on a Flash Drive in Microsoft Office or Microsoft Office-compatible format. The Flash drive should clearly identify the Offeror and include the name and version number of the virus scanning software that was used to scan the Flash drive before it was submitted. The Offeror may not lock or protect any cells or tabs. The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. If the official signs the **Proposal Cover Sheet (Appendix C)** to this RFP) and the Proposal Cover Sheet is attached to the Offeror’s proposal, the requirement will be met. For this RFP, the proposal must remain valid for one hundred and twenty (120) days or until a grant agreement is fully executed. If DHS selects the Offeror’s proposal for award, the contents of the selected Offeror’s proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, Grant Agreement obligations.

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by written notice received at the Issuing Office’s address for proposal delivery prior to the exact hour and date specified for proposal receipt. An Offeror or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification and signs a receipt for the proposal. An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new sealed proposal or sealed modification which complies with the RFP requirements.

B. Proposal Format: Offeror must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all proposal requirements. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All cost data relating to this proposal should be kept separate from and not included in the Technical Submittal. Offerors should not reiterate technical information in the cost submittal. Offerors may submit proposals for one or more ELRC Service Regions; however, Offerors must submit a separate proposal for each ELRC Service Region being applied for. Each ELRC Service Region Proposal must be labeled with the Service Region identified. If an Offeror is applying for more than one ELRC Service Region, the proposals must be packaged separately. Each Proposal shall consist of the following two (2) separately sealed submittals:

1. Technical Submittal:

a. In response to Part III; and

The Technical Submittal must include a Transmittal Letter and include Tabs 1 through 14. Offerors must format their responses as follows:

- Tab 1: Table of Contents
- Tab 2: Requirements
- Tab 3: Statement of the Problem
- Tab 4: Management Summary
- Tab 5: Prior Experience
- Tab 6: Personnel
- Tab 7: Training
- Tab 8: Financial Capability
- Tab 9: Work Plan
- Tab 10: Reports & Project Control
- Tab 11: Performance Standards
- Tab 12: Lobbying Certification and Disclosure (**Appendix D**)
- Tab 13: Corporate Reference Questionnaire (**Appendix G**)
- Tab 14: Key Personnel Reference Questionnaire (**Appendix H**)

b. Complete, sign and include Appendix E – Domestic Workforce Utilization Certification;

c. Complete, sign and include Appendix F – Iran Free Procurement Certification.

2. Cost Submittal, in response to RFP Part IV.

Proposals must adhere to the following format:

- a.** Proposals may NOT exceed 40 pages (not including appendix and required forms). Page number requirements per section are indicated in Section III.
- b.** Pages must be 8.5 by 11 inches with right and left margins of one (1) inch; and be double-sided.
- c.** Must use Arial or Times New Roman font with a size of twelve (12).
- d.** Tab and Section headings, shown in **RFP Part I, Section I-14**, Proposal Requirements, **MUST** be used.
- e.** Each page of the proposal must include a page number and identification of the Offeror in the page footer.

- f. Materials provided in any appendix must be specifically referenced by page numbers in the body of the proposal.
- g. Exceptions for paper and font size are permissible for project schedule (Microsoft Project) or for graphical exhibits and material in appendices which may be printed on white paper with dimensions of 11 by 17 inches.

DHS may request additional information which, in DHS's opinion, is necessary to ensure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

DHS may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror shall furnish to the Issuing Office all requested information and data. DHS may reject any proposal if the evidence submitted by, or investigation of, such Offeror fails to satisfy DHS that such Offeror is properly qualified to carry out the obligations of the RFP and to complete the Project as specified.

- I-15. Economy of Preparation.** Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of the RFP.
- I-16. Alternate Proposals.** DHS has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. DHS will not accept alternate proposals.
- I-17. Discussions for Clarification.** Offerors may be required to make an oral or written clarification of their proposals to DHS to ensure thorough mutual understanding and Offeror responsiveness to the solicitation requirements. DHS will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to agreement award.
- I-18. Oral Presentations.** Offerors may be required to make an oral presentation of their proposals to DHS to demonstrate an Offeror's capabilities and ability to provide the services required in the RFP. DHS will initiate requests for oral presentations; which may include a request that key personnel be present. The oral presentation will be held in Harrisburg, Pennsylvania. Oral presentations may be requested at any stage of the evaluation and selection process prior to award of the grant agreement.
- I-19. Prime Grantee Responsibilities.** The grant will require the selected Offeror to assume responsibility for all services offered in its Proposal whether it produces them itself or by sub-contract. The Department will consider the selected Offeror to be the sole point of contact with regard to all agreement matters.
- I-20. Proposal Contents.**
 - A. Confidential Information.** The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Offerors' submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in Subsection C below and must additionally provide a redacted version of its proposal in accordance with RFP **Part I, Section I-14**, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.

- B. Commonwealth Use.** All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at DHS's option. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of an agreement. Notwithstanding any Offeror copyright designations contained on proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
- C. Public Disclosure.** After the award of a grant pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If an proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to **Appendix I** of the RFP for a **Trade Secret Confidential Proprietary Information Notice Form** that may be utilized as the signed written statement, if applicable. If financial capability information is submitted in response to Part III-7 of this RFP such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b) (26).

I-21. Best and Final Offers.

- A.** While not required, DHS may conduct discussions with Offerors for the purpose of obtaining “best and final offers.” To obtain best and final offers from Offerors, DHS may do one or more of the following, in any combination and order:
1. Schedule oral presentations;
 2. Request revised proposals; and
 3. Enter into pre-selection negotiations.
- B.** The following Offerors will **not** be invited by DHS to submit a Best and Final Offer:
1. Those Offerors, which DHS has determined to be not responsible or whose proposals DHS has determined to be not responsive.
 2. Those Offerors, which DHS has determined in accordance with **Part II, Section II-5**, from the submitted and gathered financial and other information, do not possess the financial capability, experience or qualifications to ensure good faith performance of the grant agreement.
 3. Those Offerors whose score for their technical submittal of the proposal is less than 75% of the total amount of technical points allotted to the technical criterion.
 4. Those Offerors which DHS has determined, in accordance with **Part III, Section III-1**, from the submitted conflict-free information, are not conflict-free and either did not propose a plan to become conflict-free or will not be conflict-free by the effective date of the grant agreement.

DHS may further limit participation in the best and final offers process to those remaining responsible Offerors which DHS has, within its discretion, determined to be within the top competitive range of responsive proposals.

- C. The Evaluation Criteria found in **Part II, Section II-4**, shall also be used to evaluate the Best and Final Offers.
- D. Price reductions offered through any reverse online auction shall have no effect upon the Offeror's Technical Submittal.

I-22. News Releases. Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of DHS, and then only in coordination with DHS.

I-23. Restriction of Contact. From the issue date of this RFP until DHS selects a proposal(s) for award, the Project Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for DHS to reject the offending Offeror's proposal. If DHS later discovers that the Offeror has engaged in any violations of this condition, DHS may reject the offending Offeror's proposal or rescind its grant agreement. Offeror must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.

I-24. Department Participation. Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-24**. The Department will provide training materials, policy direction, performance standards, and operational support. The Department will not provide office space.

Prior to the selected Offeror providing services, the Department will conduct a Readiness Review. The Department will monitor selected Offerors for compliance with the requirements of the Early Learning Resource Center Agreement. The Department will designate staff to coordinate the project, provide or arrange for technical assistance, and monitor for Readiness Review, and compliance with agreement requirements, the approved program policies and procedures. At its discretion, the Department may commence monitoring before the effective or operational dates of the agreement, and before the formal Readiness Review period.

I-25. Term of Agreement. The term of each agreement will commence on the Effective Date and will end two (2) years after the Effective Date. DHS will fix the Effective Date after the agreement has been fully executed by the selected Offeror and by the Commonwealth and all approvals required by the Commonwealth have been obtained. The Commonwealth, at its sole option, may renew the agreement for three (3) additional one (1) year periods. The selected Offeror shall not start the performance of any work prior to the Effective Date of the agreement and the Commonwealth shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the agreement.

I-26. Offeror's Representations and Authorizations. By submitting its proposal, each Offeror understands, represents, and acknowledges that:

- A. All of the Offeror's information and representations in the proposal are material and important, and DHS may rely upon the contents of the proposal in awarding the agreement(s). The Commonwealth

shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.

- B.** The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential Offeror.
- C.** The Offeror has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential Offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.
- D.** The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- E.** The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- F.** To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.
- G.** To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.
- H.** The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- I.** The Offeror has not made, under separate contract with DHS, any recommendations to DHS concerning the need for the services described in its proposal or the specifications for the services described in the proposal.
- J.** Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- K.** Until the selected Offeror receives a fully executed and approved written agreement from the Issuing Office, there is no legal and valid agreement, in law or in equity, and the Offeror shall not begin to perform.
- L.** The Offeror is not currently engaged, and will not during the duration of the agreement engage, in a boycott of a person or an entity based in or doing business with a jurisdiction which the Commonwealth is not prohibited by Congressional statute from engaging in trade or commerce.

I-27. Notification of Selection.

A. Negotiations. DHS will notify all Offerors in writing of the Offeror selected for negotiations after DHS has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to DHS.

B. Award. Offerors whose proposals are not selected will be notified when negotiations have been successfully completed and DHS has received the final negotiated agreement signed by the selected Offeror.

I-28. Debriefing Conferences. Upon notification of award, Offerors whose proposals were not selected will be given the opportunity to be debriefed. The Issuing Office will schedule the debriefing at a mutually agreeable time. The debriefing will not compare the Offeror with other Offerors, other than the position of the Offeror's proposal in relation to all other Offeror proposals. An Offeror's exercise of the opportunity to be debriefed does not constitute nor toll the time for filing a protest (See **Part I, Section I-29** of this RFP).

I-29. Use of Electronic Versions of this RFP. This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to ensure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Issuing Office's version of the RFP, the Issuing Office's version shall govern.

I-30. Information Technology Policies. This RFP is subject to the Information Technology Policies ("ITPs") {formerly known as Information Technology Bulletins} issued by the Office of Administration, Office for Information Technology ("OA-OIT"); and DHS Business and Technical Standards created and published by DHS. ITPs may be found at <http://www.oa.pa.gov/Policies/Pages/itp.aspx>. The DHS Business and Technical Standards may be found at <http://www.dhs.pa.gov/provider/busandtechstandards/index.htm>.

All proposals must be submitted on the basis that all ITPs and DHS ITPs are applicable to this procurement. It is the responsibility of the Offeror to read and be familiar with the ITPs and DHS Business and Technical Standards. Notwithstanding the foregoing, if the Offeror believes that any ITP or DHS Business and Technical Standard is not applicable to this procurement, it must list all such ITPs and Business and Technical Standard in its technical response, and explain why it believes the ITP or DHS Business and Technical Standard is not applicable. DHS may, in its sole discretion, accept or reject any request that an ITP or DHS Business or Technical Standard not be considered to be applicable to the procurement. The Offeror's failure to list an ITP or DHS Business and Technical Standard will result in its waiving its right to do so later, unless DHS in its sole discretion, determines that it would be in the best interest of the Commonwealth to waive the pertinent ITP or DHS Business and Technical Standard.

PART II

CRITERIA FOR SELECTION

II-1. Mandatory Responsiveness Requirements. To be eligible for selection, an proposal must:

- A. Be timely received from an Offeror (see **Part I, Section I-13**); and
- B. Be properly signed by the Offeror (see **Part I, Section I-14A**).

II-2. Technical Nonconforming Proposals. The two (2) Mandatory Responsiveness Requirements set forth in **Section II-1** above (A-B) are the only RFP requirements that the Commonwealth will consider to be *non-waivable*. The Department may, in its sole discretion, (1) waive any other technical or immaterial nonconformities in an Offeror's proposal, (2) allow the Offeror to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Offeror's proposal.

II-3. Evaluation. The Department has selected a committee of qualified personnel to review and evaluate timely submitted proposals. The Department will notify in writing of its selection for negotiations of the responsible Offeror whose proposal is determined to be the most advantageous to the Commonwealth as determined by the Department after taking into consideration all of the evaluation factors.

II-4. Evaluation Criteria. The following criteria will be used in evaluating each proposal submitted for each Service Area of the RFP:

A. **Technical:** The Department has established the weight for the Technical criterion for this RFP as **60%** of the total points. Evaluation will be based upon the following: Soundness of Approach, Offeror Qualifications, Understanding the Problem, Personnel Qualifications, and Available Facilities.

- **Soundness of Approach.** This refers to the Offeror's technical approach for completion of all deliverables in this RFP, if it is responsive to all requirements of the RFP and if it meets the project's objectives. The Offeror should clearly state how the objectives of the project will be met and how each task will be performed. Where the proposal deviates from the RFP work statement, the Offeror should explain why.
- **Offeror Qualifications.** This refers to the ability of the Offeror to meet the terms of the RFP, especially the time constraint and the quality, relevancy, and recentness of studies and projects completed by the Offeror. This also includes the Offeror's ability to undertake a project of this size.
- **Understanding the Problem.** This refers to the Offeror's understanding of Commonwealth of Pennsylvania needs that generated the RFP, of the Commonwealth objectives in asking for the services, and of the nature and scope of the work involved.
- **Personnel Qualifications.** This refers to the competence of professional personnel who would be assigned to the project by the Offeror. Qualifications of professional personnel shall be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP. Particular emphasis is placed on the qualifications of the Project Manager and lead staff. During the project period, personnel not

previously identified in the Offeror's proposal may only be substituted for another person or added to the project team when approved in writing.

- **Available Facilities.** This refers to the Offeror's availability of adequate facilities for staff to accomplish the job functions, as well as the administrative and logistical support requirements. It also refers to the plan to make all services easily accessible to customers through the use of remote employees, satellite offices, etc.

The final Technical scores are determined by giving the maximum number of technical points available to the proposal with the highest raw technical score. The remaining proposals are rated by applying the Technical Scoring Formula set forth at the following webpage: <http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

- B. Cost:** The Department has established the weight for the Cost criterion for this RFP as **40%** of the total points. The cost criterion is rated by giving the proposal with the lowest total cost the maximum number of Cost points available. The remaining proposals are rated by applying the Cost Formula set forth at the following webpage: <http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.
- C. Domestic Workforce Utilization:** Any points received for the Domestic Workforce Utilization ("DWU") criterion are bonus points in addition to the total points for this RFP. The maximum amount of bonus points available for this criterion is **3%** of the total points for this RFP.

To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use domestic workforce in the fulfillment of the agreement. Maximum consideration will be given to those Offeror who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. See the following webpage for the DWU Formula:

<http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

- D. Iran Free Procurement Certification and Disclosure.** Prior to entering an agreement worth at least \$1,000,000 or more with a Commonwealth entity, an Offeror must: a) certify that it is not on the current list of persons engaged in investment activities in Iran created by the Pennsylvania Department of General Services ("DGS") pursuant to Section 3503 of the Procurement Code and is eligible to contract with the Commonwealth under Sections 3501 – 3506 of the Procurement Code; or b) demonstrate that it has received an exception from the certification requirement for that solicitation or contract pursuant to Section 3503(e). All Offerors must complete and return the Iran Free Procurement Certification form, (**Appendix F, Iran Free Procurement Certification Form**), which is attached hereto and made part of this RFP. The completed and signed Iran Free Procurement Certification form must be submitted as part of the Technical Submittal.

See the following web page for current Iran Free Procurement list:

II-5. Offeror Responsibility. To be responsible, an Offeror must submit a responsive proposal and possess the capability to fully perform the agreement requirements in all respects and the integrity and reliability to ensure good faith performance of the agreement.

In order for an Offeror to be considered responsible for this RFP and therefore eligible for selection for best and final offers or selection for negotiations:

- A. The total score for the technical submittal of the Offeror's proposal must be greater than or equal to **75% of the available technical points; and**
- B. The Offeror's conflict-free information must demonstrate that the Offeror meets the conflict free requirements defined in **Section III-1E**. If the Offeror is not conflict-free at the time of proposal submittal, the Offeror's work plan, detailing the sequencing of events and the time required to become conflict-free, sufficiently demonstrates, to DHS' satisfaction that the Offeror will meet the conflict-free requirements by the effective date of the grant agreement.
- C. The Offeror's financial information must demonstrate that the Offeror possesses the financial capability to ensure good faith performance of the agreement. The Commonwealth will review the Offeror's previous three financial statements, any additional information received from the Offeror, and any other publicly-available financial information concerning the Offeror, and assess each Offeror's financial capacity based on calculating and analyzing various financial ratios, and comparison with industry standards and trends.

An Offeror which fails to demonstrate sufficient financial capability to ensure good faith performance of the agreement as specified herein may be considered by the Department, in its sole discretion, for Best and Final Offers or negotiation contingent upon such Offeror providing performance security for the first agreement year cost proposed by the Offeror in a form acceptable to the Department. Based on the financial condition of the Offeror, DHS may require a certified or bank (cashier's) check, letter of credit, or a performance bond conditioned upon the faithful performance of the agreement by the Offeror. The required performance security must be issued or executed by a bank or surety company authorized to do business in the Commonwealth. The cost of the required performance security will be the sole responsibility of the Offeror and cannot increase the Offeror's cost or the agreement cost to the Commonwealth.

Further, the Department will award an agreement only to an Offeror determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, Contractor Responsibility Program.

II-6. Final Ranking and Award.

- A. After any Best and Final Offers ("BAFO") process conducted, for the proposals submitted for each Service Area, the Issuing Office will combine the evaluation committee's final technical scores, the final cost scores, and (when applicable) the DWU scores, in accordance with the relative weights assigned to these areas as set forth in this Part II.
- B. The Issuing Office will rank responsible Offerors according to the total overall score assigned to each, in descending order, for each Service Area.

- C. For each Service Area and except as provided in **Part II, Section II-6D**, the Department must select for negotiations the Offeror with the highest overall score.
- D. For one, all or some Service Areas, the Department has the discretion to reject all proposals or cancel the Request for Proposals, at any time prior to the time an agreement is fully executed, when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the RFP file.

PART III

TECHNICAL SUBMITTAL

III-1. Requirements.

- A. State Regulatory Requirements.** The proposal must be submitted on the basis of the following state regulatory requirements: Title 55 of the Pennsylvania Code, Chapter 168, Child Care (55 Pa. Code Ch. 168), and Chapter 3041, Subsidized Child Care Eligibility (55 Pa. Code Ch. 3041), as may be amended. The regulations may be accessed online at:

<http://www.pacode.com/secure/data/055/chapter168/chap168toc.html>, and
<http://www.pacode.com/secure/data/055/chapter3041/chap3041toc.html>.

The Offeror must also comply with Article IV of the Pennsylvania Human Services Code, 62 P.S. Part. IV, as may be amended: <http://www.legis.state.pa.us/WU01/LI/LI/US/PDF/1967/0/0021..PDF>.

- B. Federal Regulatory Requirements.** The selected Offeror(s) must comply with the following federal regulations and restrictions, as may be amended, as they may apply to this Project:

- Child Care Development Funds (“CCDF”) regulations, 45 C.F.R. § 98.56(b)(1), Restrictions on the use of funds: <http://nche.ed.gov/downloads/legis/ccdf-final-regs-nche-markup-sept-2016.pdf>
- Super Circular-New Uniform Guidance, 2 C.F.R., Chapter I and Chapter II, Parts 200, 215, 220, 225, 230, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. (Replaces OMB Circulars A-89, A-102, A-110, A-21, A-87, A-122, A-133 and A-50): <https://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>
- Contract Cost Principles and Procedures, 48 C.F.R. Part 31, For-Profit Agencies: <http://www.law.cornell.edu/cfr/text/48/part-31>
- Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, by taking action as required to ensure that all persons with Limited English Proficiency have meaningful access to the programs administered by the selected Offeror(s).
- Cost principles outlined in the U.S. Office of Management and Budget (“OMB”) Circular A-87, A-122 if a local/county government agency, or OMB Circular A-122 if a non-profit organization, and CFR Part 200 – UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS.

- C. Policies and Procedures.** The selected Offeror(s) must comply with the following OCDEL Policies and Procedures:

- Child Care Works - The selected Offeror(s) must comply with the subsidized child care eligibility regulations, policies, and procedures communicated through the Subsidized Child Care Services Policy and Procedure Manual. The Policy and Procedure Manual provides instruction and guidance for all aspects of the subsidized child care program including, but not limited to, eligibility, funding, enrollment, provider management, and provider payments.

The selected Offeror(s) must comply with all policies and procedures communicated through Subsidized Child Care Services Announcements, which are communications signed by the Deputy Secretary regarding implementation of subsidized child care policies and procedures. The selected Offeror(s) must comply with subsidized child care communiques, which are policy and procedure clarifications related to implementation of the subsidized child care program. Subsidized child care announcements and communiques are distributed via email and posted on the Intranet. They include the background of the issue, implementation instructions, next steps, and a timeframe for implementation. Offerors may review communication announcements, communications and related documents for planning purposes in the ELRC Procurement Library (see Part I, Section I-5 of this RFP).

- **Keystone STARS** – The selected Offeror(s) must comply with the policies and procedures communicated through Early Learning Services (“ELS”) Announcements. These communications are numbered announcements and considered official communications from the Deputy Secretary regarding the implementation of policy and procedures for Keystone STARS. They will be distributed to selected Offeror(s) and include the effective timeframe of the policy, background of the issue, discussion of implementation of the policy, next steps, and, if applicable, a sunset date for the policy.

D. Conflict of Interest. The Department, prohibits all employees of the selected Offeror(s) from participating in any act in which the employee uses the authority of a position and/or confidential information for private pecuniary benefit of said employees, any member of said employee’s immediate family, or any business with which said employee or a member of said employee’s family is associated.

E. Conflict Free Requirements. If the selected Offeror(s) operates its own child care program, it must develop and implement a board/organization approved conflict of interest policy. This policy must assure that parents are offered a variety of child care options and the freedom to choose from these options. It also must separate the management of the ELRC from the child care program.

At a minimum, the conflict of interest policy shall include provisions for:

1. Providing information to parents regarding the types of child care arrangements available in the area as well as information on how to select appropriate quality care so that parents have the opportunity to choose a child care setting that best suits the needs of their family;
2. Providing parents with a minimum of three quality program choices that meet the families needs related to access (location and cost), quality and alignment to family priorities;
3. Separate management of the ELRC and the child care facility owned or operated by the ELRC (which might include separate governing bodies); and
4. Documenting the implementation of the conflict of interest policy.

As part of the response, the Offeror must submit complete organizational information that includes an organization chart listing all relationships with child care providers that are part of the legal entity and a notarized statement regarding the Offeror’s plans for addressing any conflicts of interest or perceived conflicts of interest including the Offeror’s proposed conflict of interest policies and protocols. The selected Offeror(s) must be free of any conflicts of interest prior to entering into a grant agreement with DHS.

F. Office & Service Region Requirements. The selected Offeror(s) must establish at least one physical office in each ELRC Service Region for which the Offeror is selected. The selected Offeror(s) must have the capability to conduct in-person meetings with individuals, families, and

providers in each ELRC Service Region based on client (family or provider) needs. In addition, the Offeror must propose how it will deploy staff in order to meet the needs of families and providers. All sites must be accessible and meet the Americans with Disabilities Act (“ADA”) standards.

The selected Offeror(s) must request in writing approval to relocate an ELRC at least ninety (90) days prior to a tentative relocation.

G. Resource Requirements. The selected Offeror(s) must supply meeting rooms and normal office space for personnel, including: equipment, computers and monitors, network and internet connectivity, supplies, clerical assistance, and administrative support needed to perform the Project at its main office. The Department will not provide computers, internet connectivity, network support, software or desktop support. Selected Offeror(s) are required to establish the main office in a location with high-speed internet accessibility and consider internet capabilities to deliver services in other counties included in the Service Region. If the Offeror foresees any internet accessibility issue in the Service Region or counties within the Service Region, a detailed explanation of the issue is required in its proposal. Offerors must be able to accept fax and email from clients.

H. Access to Services. The selected Offeror(s) must meet the following accessibility requirements:

1. The selected Offeror(s)’s staff must be available to answer questions from the public between the hours of 8:30 a.m. and 5:00 p.m., Monday through Friday, except on state recognized holidays or, in the case of County Government managed programs, county recognized holidays. The selected Offeror(s) will submit a copy of the ELRC holiday schedule.
2. A telephone call to the selected Offeror(s) shall be toll-free for any family or provider who lives within the Service Region served by the ELRC. The selected Offeror(s) shall be known as the ELRC and use consistent branding as determined by the Department. The selected Offeror(s) must list the above-mentioned name prominently at the office location and on all correspondence to parents, providers and the public.
3. The selected Offeror(s) will be accessible to parents and providers who cannot contact the agency staff during the weekday office hours.
4. The toll-free telephone line may not have voice mail as the primary mechanism for handling incoming telephone calls between the hours of 8:30 a.m. and 5:00 p.m., Monday through Friday, except on state recognized holidays or, in the case of County Government managed programs, county recognized holidays.
5. The selected Offeror(s)’s staff will respond to voice, fax, and e-mail messages within one (1) business day.
6. Hours of service will be modified as needed to meet the needs of the community (families and providers), as directed by the Department.

I. Staff Clearances. The selected Offeror(s), including all subcontractor’s staff that performs services pursuant to this RFP, must obtain written clearances, at its own expense, from the Pennsylvania State Police and the Office of Children, Youth and Families’ DHS ChildLine and Abuse Registry. Criminal background checks are conducted via the Criminal History Request Online at the Pennsylvania State Police website, under PSP Services, <http://www.psp.pa.gov/Pages/Request-a>

[Criminal-History-Record.aspx](http://www.compass.state.pa.us/CWIS/public/home). Child abuse clearances are obtained from <http://www.compass.state.pa.us/CWIS/public/home>.

For any staff who has not been a Pennsylvania resident for the previous five (5) years, the selected Offeror(s) must obtain a Federal Criminal History and Child Abuse History record from the Federal Bureau of Investigation (“FBI”), child abuse clearances and Criminal History Record from the PA State Police.

The selected Offeror(s) must provide written confirmation that the background checks are completed before the Commonwealth will permit access to the selected Offeror(s)’s staff. If, at any time, it is discovered that a selected Offeror(s) employee has an impermissible criminal record, the selected Offeror(s) shall not assign that employee to any Commonwealth service program; shall remove any access privileges already given to the employee; and shall not permit the employee remote access unless the Department consents to the access, in writing. Persons with convictions of one of the prohibited crimes are not permitted access to program data and systems and salaries of such persons cannot be supported, either in part or in full, by the ELRC grant. Failure of the selected Offeror(s) to comply with the terms of this paragraph may result in default of the selected Offeror(s) under its Agreement.

The selected Offeror(s) including any and all subcontractor staff that perform services pursuant to this RFP, must take training for Mandated Reporters of Child Abuse, which is approved by the Department. Information about the Mandated Reporter training can be found at www.keepkidssafe.pa.gov.

- J. Information Handling.** The selected Offeror(s) will comply with all federal or state laws related to the use and disclosure of information, including information that constitutes Protected Health Information (“PHI”) as defined by Health Insurance Portability and Accountability Act (“HIPAA”). The selected Offeror(s) will comply with the Business Associate language provided in **Appendix J**. The selected Offeror(s) must protect the confidentiality of all Commonwealth information. The selected Offeror(s) agrees that any breach of this provision may, at the discretion of the Commonwealth, result in termination of the Agreement.

The nature of the work of the ELRC requires the handling of sensitive information. All personnel and/or employees of any selected Offeror(s) assigned to the provision of enrollments of children, administrative processes, direct service system management, and the treatment of providers by the selected Offeror(s) must comply with applicable federal and state laws, regulations, and regarding the security and confidentiality of information pertaining to individuals receiving CCW.

Compliance will include:

- All personnel and/or employees of sub-selected recipient(s) of the selected Offeror(s) and its reporting agent, as applicable, must comply with HIPAA;
- All personnel and/or employees of sub-selected recipient(s) of the selected Offeror(s) and its reporting agent, as applicable, must receive training in confidentiality regulations, including HIPAA Privacy and Security training and Medicaid confidentiality requirements;
- All personnel and/or employees of sub-selected recipient(s) of the selected Offeror(s) must sign a confidentiality agreement. Personnel policies must address disciplinary procedures relevant to violation of the signed confidentiality agreement; and

- Both confidential and sensitive information must not be used by the selected Offeror(s) or sub-selected Offeror(s) or given to another agency other than for the purpose of carrying out obligations of the Agreement.

The selected Offeror(s) is responsible for establishing and administering adequate measures to prohibit unauthorized access, copying, and distribution of information during work on this Project. The selected Offeror(s) is responsible for proper disposal of both hard and electronic working copies of information during work on this Project, as well as any remaining information upon the completion of the Project.

The selected Offeror(s) may need to transfer sensitive information to other agencies, vendors, or to the Commonwealth pursuant to the requirements of the Agreement. The selected Offeror(s) will follow Commonwealth procedures for information handling and sharing. The selected Offeror(s) will retain all records for seven (7) years after becoming fully inactive or until the disposition of court hearings, audits, and appeals are complete. The selected Offeror(s) is responsible for following record retention procedures for all applicable federal, state, and local government agencies.

The selected Offeror(s) shall be responsible for the collection of data required by the Department related to the Offeror(s)'s management of the Department's subsidized child care program. All data collected remains the sole property of the Department. The selected Offeror(s) shall provide the Department with copies of the data and specific reports that are generated from the data, as requested by the Department. All requests from Federal or State agencies for information shall be referred to the Department's Grant Administrator or Designee. The selected Offeror(s) should immediately forward any data requests for information to the Department's Grant Administrator or Designee. The selected Offeror(s) may provide the following information without Department consent:

- Parent counseling and consumer education activities performed by the selected Offeror(s) or its agents;
- Informational brochures, which are approved by the Department. All brochures must acknowledge that the program was made possible by OCDEL, the Department of Human Services; and
- Statistics related to Resource and Referral activities.

The Department may modify this list of exceptions upon written notice to the selected Offeror(s).

K. Archived Files. The selected Offeror(s) must establish and maintain all archived files in an accurate, secure, and confidential manner for seven (7) years as mandated by applicable federal, state, and local rules and regulations. Selected Offeror(s) must make available to the Department its archive system and purge procedures, as requested.

L. Payment for Child Care. The selected Offeror(s) will provide electronic direct deposit payments for child care services into the provider's bank account within the timeframes indicated in the Work Plan, **Part III, Section III-8**. The selected Offeror(s) will participate in all invoicing methods including on-line attendance tracking ("OAT") and paper invoices. The selected Offeror(s) will reimburse regulated child care providers based on the provider's reported rates up to the maximum amount published by the Department and referenced in PA's Enterprise to Link Information for Children Across Network ("PELICAN") CCW system. The selected Offeror(s) will reimburse

unregulated, legally operating providers based on the rates published by the Department, and referenced in PELICAN CCW.

M. Fiscal Management. The selected Offeror(s) will monitor the expenditures of ELRC service allocations monthly and CCW service allocations as appropriate. The selected Offeror(s) will also manage all grants and incentives related to Keystone STARS.

N. Data Systems. The selected Offeror(s) is required to utilize the following data systems.

1. CCW.

- a. The selected Offeror(s) will be required to utilize PELICAN for the administration of CCW.
 - i. The selected Offeror(s) will use PELICAN CCW as prescribed by the Department to manage the subsidized child care program.
 - ii. The selected Offeror(s) will use PELICAN CCW as prescribed by the Department for parent counseling and parent resource and referral services.
 - iii. The selected Offeror(s) will only participate with legally operating providers who are registered in PELICAN CCW.
 - iv. The selected Offeror(s) will comply with the requirements regarding updating provider information in PELICAN CCW as required by the Department.
 - v. The selected Offeror(s) will meet all procedural requirements for maintenance of provider information (excluding initial data entry of regulated providers, which is the responsibility of the Department).
 - vi. The selected Offeror(s) will to utilize the Client Information System (“CIS”) as prescribed by the Department. CIS is the database used by the County Assistance Offices (“CAO”) to determine a family’s eligibility for child care under the Temporary Assistance to Needy Families (“TANF”) and Supplemental Nutrition Assistance Programs (“SNAP”). CIS sends eligibility information to PELICAN to support child care enrollments and provider management for these families.
 - vii. The selected Offeror(s) will utilize the Early Learning Program and Provider Search for resource and referral activities and reports.

2. Quality.

- a. The selected Offeror(s) will be required to utilize the following databases for the administration of Keystone STARS:
 - i. PELICAN Keys to Quality - The selected Offeror(s) will use PELICAN Keys to Quality as prescribed by the Department to manage the Keystone STARS quality rating improvement system program
 - ii. Program Assessment Communication Tool (“PACT”) - The selected Offeror(s) will use PACT as prescribed by the Department to manage the requests for Keystone STARS participating programs’ request for assessment.
 - iii. SMART-STARS Management and Reliability Tracking - The selected Offeror(s) will use SMART as prescribed by the Department to designate the quality level of participating child care programs in Keystone STARS.
 - iv. Peer Mentor Database - The selected Offeror(s) will use the Peer Mentor Database as prescribed by the Department to manage monitor and support mentor-mentee relationships for participating child care program staff.

- v. Professional Development (“PD”) Registry - The selected Offeror(s) will use PD Registry as prescribed by the Department to manage select professional development opportunities and verify staff qualifications.
- O. Provider Communications.** The selected Offeror(s) will ensure all communications and branding is consistent with the Department’s use of logo and style guides.
- P. Absence of Director or Essential Staff.** In the absence of the director or other essential staff, the selected Offeror(s) must appoint a designee(s) with authorization to implement any requests directed by the Department and to provide all requested information to the Department within prescribed timeframes established by the Department.
- Q. CAO Retains Responsibility.** The CAO retains responsibility for determining initial and continuing child care eligibility for TANF and SNAP clients, including responsibility for identifying and processing overpayments related to eligibility. The selected Offeror(s) will be responsible for providing client services, issuing child care payments, and provider management for TANF and SNAP clients determined eligible for child care by the CAO.
- R. Data Disaster Recovery Plan.** The selected Offeror(s) must develop and document a disaster recovery plan for electronic records and files maintained by the selected Offeror(s). Within seventy-two (72) hours, the ELRC must be operational at a temporary site with an operating telecommunications system and give public notification of the new location and new ELRC telephone number(s). Backup data, for all business records not contained in PELICAN CCW, must be stored off-site for seven (7) years.

The selected Offeror(s) must utilize reasonable data backup and disaster recovery procedures to prevent loss of information and an interruption in the use of its proposed systems. The selected Offeror(s) must:

1. Describe its data backup and disaster recovery plans for restoring and maintaining operations during natural or human-induced disasters, or any other occurrence that damages systems or data.
 2. Provide detailed information regarding its backup and disaster recovery systems, architecture/frameworks, capabilities, governance, and procedures.
 3. Describe how its backup and disaster recovery plans enable the continuation of critical business processes for the protection and security of the data.
 4. Provide an annual update of the data backup and disaster recovery plan and the disaster recovery plan testing process and testing frequency of the yearly anniversary start date of the fully executed agreement.
- S. Quality Control.** The selected Offeror(s) will supervise all work for accuracy and timeliness to ensure that all aspects of the work plan, regulations in 55 Pa. Code relating to Child Care and Subsidized Child Care Eligibility, ELRC Policy and Procedures, Performance Standards and Objectives, and other correspondence from the Department are met. The Quality Assurance Plan will be made available on request.

The DHS Grant Administrator will provide oversight to the ELRC agencies to ensure program compliance, effective management practices, comprehensive service delivery, and sound funds management. Each ELRC Director will update the Department as to the activity and issues regarding the ELRC agency and act as a liaison between parents/caretakers, ELRC, providers and

Department Headquarters. The ELRC Director ensures the implementation of departmental policy and conformance of program administration and services based on State and Federal regulations, reviews grants, approves budget revisions, performs annual Performance Standards reviews, prepares and submits written reports detailing areas of ELRC non-compliance, and participates in regional ELRC meetings.

T. Emergency Preparedness.

To support continuity of operations during an emergency, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential agreements that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

1. Describe how you anticipate such a crisis will impact your operations.
2. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
 - a. Employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)
 - b. Identified essential business functions and key employees (within your organization) necessary to carry them out
 - c. Contingency plans for:
 - i. How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
 - ii. How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
 - d. How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
 - e. How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

- U. Lobbying Certification and Disclosure of Lobbying Activities.** This Project will be funded, in whole or in part, with federal monies. Public Law 101-121, Section 319, prohibits federal funds from being expended by the recipient or by any lower tier sub-contractors of a federal contract, grant, loan, or a cooperative agreement to pay any person for influencing, or attempting to influence a federal agency or Congress in connection with the awarding of any federal contract, the making of any federal grant or loan, or entering into any cooperative agreement. All parties who submit proposals in response to this RFP must sign the Lobbying Certification Form, as shown in **Appendix D - Lobbying Certification and Disclosure Form** and, if applicable, complete the "Disclosure of Lobbying Activities" form, also attached as **Appendix D**.

III-2. Statement of the Problem. State in succinct terms your understanding of the problem presented and the service required by this RFP. The Offeror's response should demonstrate that the Offeror fully understands the scope of services to be provided, the Offeror's responsibilities, and how the Offeror will effectively manage the grant. The Offeror should demonstrate their understanding of the demographics (family, early learning providers, local education agencies, community) of the service delivery areas and state their overall approach to the Project.

The Statement of the Problem should discuss specific issues/risks associated with providing the required services and should include proposed solutions that are progressive, innovative, ambitious, and achievable. The Offeror's response should demonstrate that the Offeror fully understands the scope of work and the proposed services, the Offeror's responsibilities, and the performance expectations for the relevant ELRC Service Region. If the Offeror is proposing to sub-contract portions of the work, the Offeror should identify the sub-contractor and describe the general scope of work to be sub-contracted.

III-3. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided. The summary will condense and highlight the contents of the Technical Submittal in a manner that allows a broad understanding of the entire Technical Submittal.

III-4. Prior Experience. The Offeror should include experience in administering human services programs, including: determining eligibility, issuing provider payments, providing counseling and resource and referral services, managing budgets, performing data entry, providing technical assistance, and professional development to early learning service providers. Experience should be work done by individuals who will be assigned to the Project as well as that of your company. Studies or projects referred to must be identified and the name of the customer shown, including the name, address and telephone number of the responsible official of the customer, company, or agency who may be contacted.

The Offeror's response should:

- Identify and describe the organization and your current or proposed organizational structure and how your organizational structure will support the required job functions;
- Identify the individual(s) responsible for the management of the Grant Agreement between the entity and the Commonwealth;
- Provide highlights of the Offeror's corporate qualification and resources, including previous relevant experience, staff, computer facilities, and financial stability. Include the Offeror's corporate commitment to performing the grant and meeting the performance requirements;
- Describe any specific qualifications or aspects of the proposed approach that the Offeror considers especially notable that meaningfully addresses the needs of your specific regions; and
- Identify the capacity of your organization to accomplish the responsibilities of CCW and Keystone STARS described in Part III of this RFP. In describing your experience, indicate the scale and scope of this experience.
 - Identify business experience in financial management, grant/award payouts, accounting systems, personnel management, and other business practices.
 - Identify relevant community partnerships in early education that you have that will allow you to successfully facilitate the CCW and Keystone STARS program in your region.
 - Describe your experience in integrating any of the following: the core elements of outreach, professional development, technical assistance, mentor initiatives, case management, financial management, and resource deployment to support the desired outcome of quality childcare and improved outcomes for children.

- Describe your experience working with families and children in providing resource and referral services and determining income eligibility for assistance.
- Describe your experience with local collaborations and community partnerships to maximize delivery of services to families, including families with limited or no English proficiency.
- Describe your experience using information management technology systems to manage program, performance, and fiscal data.
- Describe your experience processing invoices and making payments.

A. Corporate Background. The Offeror must describe the corporate history and relevant experience of the Offeror and any subcontractors. This section must detail information on the ownership of the company (names and percent of ownership), the date the company was established, the date the company began operations, the physical location of the company, and the current size of the company. The Offeror must provide a corporate organizational chart.

The Offeror must describe its corporate identity, legal status and forms, including the name, address, telephone number, and email address for the legal entity that is submitting the proposal. In addition, the Offeror must provide the name of the principal officers, a description of its major services, and any specific licenses and accreditations held by the Offeror.

Offerors must provide similar organizational background information on any significant subcontractor for grant services. A significant subcontractor is defined as an organization undertaking more than ten percent (10%) on the total cost basis of the work associated with this RFP.

If an Offeror is proposing to use the services or products of a subsidiary or affiliated firm, the Offeror must describe the business arrangement with that entity and the scope of the services the entity will provide.

If the experience of any proposed subcontractor is being used to meet the qualifications and requirements of this RFP, the Offeror must provide the same information as listed above for the subcontractor. This information must be presented separately within this section, clearly identifying the subcontractor experience and name of the subcontractor.

B. References. The Offeror must provide a list of at least three (3) relevant contacts within the past three (3) years to serve as corporate references. The references must be outside clients (non-DHS). This list shall include the following for each reference:

1. Name of customer
2. Type of contract/agreement
3. Contract/agreement description, including type of service provided
4. Total contract/agreement value
5. Contracting officer's name and telephone number
6. Role of subcontractors (if any)
7. Time period in which service was provided

The Offeror must submit **Appendix G - Corporate Reference Questionnaire**, directly to the contacts listed. The references should return the completed questionnaires in sealed envelopes to the Offeror. The Offeror must include these sealed references with its technical submittal under **Tab 13**.

The Offeror must disclose any contract or grant agreement cancellations, or terminations within five (5) years preceding the issuance of this RFP. If a contract or grant agreement was canceled or terminated for lack of performance, the Offeror must provide details on the customer's allegations, the Offeror's position relevant to the allegations, and the final resolution of the cancellation or the termination. The Offeror must include each customer's company or entity name, address, contact name, phone number, and email address.

The Department may disqualify an Offeror based on a failure to disclose such a cancelled or terminated contract or agreement. If the Department learns about such a failure to disclose after a grant agreement is awarded, the Department may terminate the grant agreement.

III-5. Personnel

- A. Grantee Personnel:** Include the number of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the Project. For key personnel, defined as the ELRC Director, Assistant Director (if applicable), Financial/Budget Manager, Eligibility Manager, and the Technical Assistance and Professional Development ("TA/PD") Manager, include the employee's name and, through a resume or similar document, the Project personnel's education and experience in similar in size and scope projects. Indicate the responsibilities each individual will have in this Project and how long each has been with your company.

Submitted responses are not to include personal information that will, or will be likely to, require redaction to release of the proposal under the Right-to-Know Law, including but not limited to home addresses and phone numbers, Social Security Numbers, Driver's License numbers or numbers from state identification cards issued in lieu of a Driver's License, and financial account numbers. If the Commonwealth requires any of this information for security validation or other purposes, the information will be requested separately and as necessary.

Include organizational charts outlining the staffing, reporting relationships and staff members in its description. Show the total number of staff proposed and indicate the Full Time Equivalence ("FTE") to account for any additional staff (non-Key Personnel) that are not assigned on a full-time basis. Provide similar information for any subcontractors that are proposed. The organizational chart must illustrate the lines of authority, designate the positions responsible and accountable for the completion of each component in the RFP, indicate the names and job title and number of personnel that will be assigned to each role, and the number of hours per week each person is projected to work on the Project. The organizational chart must clearly indicate any functions that are subcontracted along with the name of the subcontracting entities and the services they will perform.

A minimum of three (3) client references for Key Personnel must be identified. All client references for Key Personnel must be outside clients (non-DHS) who can give information on the individual's experience and competence to perform project tasks similar to those requested in this RFP. Key Personnel may be a member of the Offeror's organization, or any subcontractor included in the Offeror's proposal.

The Offeror must submit **Appendix H - Key Personnel Reference Questionnaire**, directly to the contacts listed. The references should return completed questionnaires in sealed envelopes to the Offeror. The Offeror should include these sealed references with its proposal under **Tab 14**.

Key Personnel Diversions or Replacement. Once Key Personnel are approved by DHS, the selected Offeror(s) may not divert or replace personnel without prior approval of the DHS Grant Administrator. The selected Offeror(s) must provide notice of a proposed diversion or replacement to the DHS Grant Administrator at least thirty (30) days in advance and provide the name, qualifications, and background check (if required) of the person who will replace the diverted personnel. The DHS Grant Administrator will notify the selected Offeror(s) within ten (10) business days of the diversion notice whether the proposed diversion is acceptable and if the replacement was approved.

Divert or diversion is defined as the transfer of personnel by the selected Offeror(s) or its subcontractor to another assignment within the control of either the Offeror or subcontractor. Advance notification and approval does not include changes in Key Personnel due to resignations, death, disability, dismissal for cause or dismissal as a result of the termination of a subcontract, or any other causes that are beyond the control of the selected Offeror(s) or its subcontractor. DHS must approve the replacement personnel.

The DHS Grant Administrator may request that the selected Offeror(s) remove a person from this Project at any time. In the event that a person is removed from the Project, the selected Offeror will have ten (10) days to fill the vacancy with a person acceptable in terms of experience and skills, subject to the DHS Grant Administrator's approval.

B. Subcontractors: Provide a subcontracting plan for all subcontractors who will be assigned to the Project. The selected Offeror(s) is prohibited from subcontracting or outsourcing any part of this Project without the express written approval from the Commonwealth. Upon award of the contract resulting from this RFP, subcontractors included in the proposal submission are deemed approved. For each position included in your subcontracting plan provide:

1. Name of subcontractor;
2. Address of subcontractor;
3. Number of years worked with the subcontractor;
4. Number of employees by job category to work on this project;
5. Description of services to be performed;
6. What percentage of time the staff will be dedicated to this project;
7. Geographical location of staff; and
8. Resumes (if appropriate and available).

The Offeror(s)'s subcontractor information shall include (through a resume or a similar document) the employees' names, education and experience in the services outlined in this RFP. Information provided shall also indicate the responsibilities each individual will have in this Project and how long each has been with subcontractor's company.

III-6. Training. If appropriate, indicate recommended training of agency personnel. Include the agency personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

III-7. Financial Capability. Describe your company's financial stability and economic capability to perform the grant agreement requirements. In Tab 8, provide your company's financial statements for the past three (3) fiscal years. If your company is a publicly traded company, please provide a link to your financial records on your company website in lieu of providing hardcopies. Financial statements must

include the company's Balance Sheet and Income Statement or Profit/Loss Statements. Also include a Dun & Bradstreet comprehensive report, if available. The Commonwealth may request additional information it deems necessary to evaluate an Offeror's financial capability.

III-8. Work Plan. Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in Part III of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task. Include a Program Evaluation and Review Technique ("PERT") or similar type display, time related, showing each event. If more than one approach is apparent, comment on why you chose this approach. The Offeror should also describe the relationship between key staff, the ELRC Director, Assistant Director (if applicable), Financial/Budget Manager, Eligibility Manager and the TA/PD Manager, and the specifics tasks, assignments, and deliverables proposed to accomplish the scope of work.

The Offeror should describe its management approach, including how it will implement its proposed work plan. Where applicable, the Offeror should provide specific examples of methodologies or approaches, including monitoring approaches, it will use to fulfill the RFP requirements and examples of similar experience and approach on comparable projects. The Offeror should describe the management and monitoring controls it will use to achieve the required quality of grant agreement services and all performance requirements. The Offeror should also address its approach to internally monitor and evaluate the effectiveness of meeting the grant agreement requirements.

The work plan must include the planned approach and process for establishing and maintaining communication between all parties and a technical approach that is aligned with all written specifications and requirements contained in the RFP.

The Offeror's response should:

- Include a detailed work plan detailing the sequencing of events and the time required to fully implement this project by July 1, 2018. The plan should include a clear outline of the project timetable from beginning to end to include Transition and Readiness Review.
- Describe the strategies that ensure data and benchmarks, goals, and objectives are met.
- Describe its management approach including how it will exercise its proposed work plan.
- Include detailed information to demonstrate that it meets all qualifications included in this RFP. Where possible, the Offeror should provide specific examples of the approaches it will use to fulfill the RFP requirements and examples of the Offeror's similar experience and approach on comparable projects.
- Demonstrate the ability to meet parent/caregiver and providers who serve these families in convenient locations in proximity to the parent/caregiver and providers.
- Describe the management controls it will use to ensure the quality of the work and the achievement of all performance expectations including the work completed by sub-contractors. The Offeror should also address its approach to internally monitor and evaluate the effectiveness in meeting the RFP requirements for the ELRC Service Region throughout the course of the grant.
- Describe the strategies that will build and strengthen strong, clear and shared leadership throughout the region the Offeror is intending to serve. The Offeror will need to demonstrate their ability to engage a wide range of community stakeholders in the early learning agenda. In the response, reference applicable experience of your organization in regional leadership.

- Describe the approach it will take to establish, capture, document, evaluate, and report on core performance metrics required by the RFP.
- Identify how its infrastructure, organizational capacity, experience, and implementation skills will be used to deliver this program in a cost-effective and accountable manner.
- Describe strategies that demonstrate the Offeror’s ability to engage and support the professional development and technical assistance needs of practitioners by leveraging the regional resources, establishing new linkages and developing resources to fill gaps in available services. Critical to the discussion is work with Higher Education on credit-bearing coursework, support of certified teachers in the region, credentials for credit or that can articulate to credit (Director Credential, Child Development Associate Credential (“CDA”), School Age Credential Credential), needs based professional development required in Keystone STARS and that supports programs at higher level of STARS and improves outcomes for children.
- Describe strategies that demonstrate the Offeror’s ability to engage the regional and local communities and build on the enhanced visibility of the ELRC as a hub for early learning resources by a diverse group of community stakeholders including early childhood programs, providers, families, school districts, higher education, businesses, and funders.
- Describe strategies for administering human services programs, including: determining eligibility, issuing provider payments, providing counseling and resource and referral services, managing budgets, and performing data entry.
- Describe strategies and experience in dealing with fraud and recoupment of funds.

Tasks:

A. Transition. The selected Offeror(s) will be responsible for effectuating a vendor-to-vendor transition of the current ELRC tasks. The grant agreement(s) will provide up to a three (3) month period for transition from the incumbent Grantees to the selected Offeror(s), unless extended by the Commonwealth. This timeframe will be from April-June 2018. The selected Offeror(s) must submit updated detailed transition work plans within five (5) business days of the date of the Readiness Review.

B. Readiness Review. The Selected Offeror(s) will participate in the ELRC Readiness and Performance Review (“Readiness Review”) process, which will be conducted onsite by the Department. The Readiness Review will begin prior to the effective date of the Agreement when the selected Offeror(s) are fully responsible for the implementation of all grant activities. The primary objectives of the Readiness Review are to:

- Ensure a smooth transition of responsibilities;
- Complete knowledge transfer and understanding;
- Establish accurate assessments and strong accountability controls;
- Mitigate risk to the Commonwealth, Department, clients and providers;
- Establish facilities and appropriate infrastructure; and
- Review plans and procedures subject to annual review and approval by OCDEL.

The purpose of the Readiness Review is to assess and document the status of the selected Offeror(s) readiness to meet the requirements defined in the Agreement. The selected Offeror(s) will not be permitted to begin operating if it does not show acceptable evidence of readiness during the Department conducted Readiness Review. Readiness Reviews include how the selected Offeror(s) will comply with the current state and federal regulatory requirements during an onsite visit with Department staff. The Readiness Review will include:

- Knowledge of CCW Regulations and Policies;
- Knowledge of Keystone STARS Policies;
- Knowledge of PELICAN CCW and Keys to Quality, COMPASS, Provider Self Service and Client Information System;
- Knowledge of fiscal and funds management requirements;
- Knowledge of payment management requirements;
- Knowledge of provider management requirements;
- Knowledge of Resource and Referral requirements;
- Procedures to ensure adherence to Performance Standards and Objectives;
- Procedures to ensure adherence to the Department’s time constraints;
- ELRC primary and satellite office locations and equipment including access to high-speed internet and toll-free calling option for families. Also how the ELRC will accommodate access for families in remote areas or who are far from office locations;
- Plan for collection and storage of data and records, including separate, secure areas with limited access for the storage of confidential files;
- Staffing levels and organizational structure;
- Staff child abuse clearances and state police and FBI fingerprinting are obtained, also verification that staff have taken training required under the Child Protective Services Law for mandated reporters of child abuse;
- Staff training plan, plan for serving families with Limited English Proficiency (“LEP”), procedures for client/consumer grievances, emergency plan and disaster recovery plan;
- Facilities Offices are ADA compliant, have sufficient space for staff and conducting meetings, and that have areas to conduct interviews with families in a confidential manner; and
- Appropriate requests for staff access to commonwealth data systems have been made including signed secure user agreements.

The date of the Readiness Review will be determined by the Department in conjunction with the selected Offeror(s). The selected Offeror(s) will provide sufficient staff to facilitate the Readiness Review process. Once the Readiness Review is completed and the findings presented to the selected Offeror(s) by OCDEL, the selected Offeror(s) will, if necessary, prepare a Corrective Action Plan (“CAP”) that addresses all outstanding issues identified during the Readiness Review prior to the effective date of the grant.

During the Readiness Review and the implementation of the CAP, if any, the selected Offeror(s) will have regular status meetings with the Department. These meetings may occur either face-to-face or via conference call.

The ELRC Readiness Review is not a paid task.

C. Eligibility Determination, Case Action and Time Constraints. Beginning on July 1, 2018, the selected Offeror(s) must collect and evaluate client income documents; interpret and apply regulations and policy to process proposal and redeterminations; follow-up on missing documentation; determine eligibility; conduct face-to-face interviews; establish and maintain child schedules for payments to providers; generate parent/provider notifications; maintain case files; process appeals; and participate in appeal hearings.

The selected Offeror(s) will maintain and process eligibility forms for all subsidy clients timely and accurately. For Low Income or Former TANF clients, the ELRC will determine a family’s

eligibility for subsidized child care no later than ten (10) calendar days following verification of all factors of eligibility. The ELRC may not delay a determination of eligibility beyond thirty (30) calendar days following receipt of a signed Proposal from the parent or caretaker. The CAO determines eligibility for TANF and SNAP clients and the information is provided to the ELRC via the electronic batch file from the CIS.

The selected Offeror(s) will execute all related eligibility actions effectively and proficiently, according to program policy and procedures.

The selected Offeror(s) will process case actions for ongoing determinations within the timeframes established by OCDEL. The selected Offeror(s) will complete ongoing determination of eligibility every twelve (12) months and establish the family's next determination date. Determinations of eligibility are to be processed no later than the annual due date.

When determining eligibility and processing case actions, the selected Offeror(s) must:

- Be familiar with and follow OCDEL policies and procedures as outlined in appropriate policy and procedures manual CCW.
- Maintain and process eligibility forms for all subsidy (Low Income, Former TANF, and TANF) clients accurately and timely.
- Utilize the correct regulations for all priority groups (TANF, Former TANF and Special Needs) and process those cases correctly.
- Determine that the parent/caretaker(s) is meeting the eligible definition of parent/caretaker.
- Determine that the parent/caretaker(s) resides in Pennsylvania and in the county of proposal.
- Determine that the parent/caretaker(s) meets the work/education/training requirement based on their documented circumstances and eligibility criteria.
- Determine that the child(ren) receiving child care is/are qualified based on the regulations for age and citizenship.
- Determine that the hours of care provided to the child(ren) are based on the parent/caretaker(s) work/education/training hours and their documented need for care.
- Utilize the correct income calculations and determine eligibility correctly based on all the verification provided by the parent/caretaker.
- Determine that the household income meets the state's family gross income within specified Federal Poverty Income Guidelines ("FPIG").
- Determine the amount of subsidy payment authorized based on income, family size, and the Maximum Child Care Allowance ("MCCA") payment rate schedule and assesses the correct co-pay.
- Process case actions for suspended and authorized cases within the timeframes established by OCDEL. Document any explanations clearly in case comments and have procedures in place to support these practices.
- Process case actions for redeterminations within the timeframes established by OCDEL. Document any explanations clearly in case comments and have procedures in place to support these practices.
- Process and manage information received in their inboxes and update inboxes within the timeframe established by OCDEL. Document any explanations clearly in case comments and have procedures in place to support these practices.
- Enter data and maintain data management systems in a timely manner.

The selected Offeror(s) will work within the following time constraints:

1. The selected Offeror(s) will process and manage information received in their inboxes and update inboxes within the timeframes established by OCDEL. Cases in the CIS Inbox must be reviewed by the ELRC within five (5) days of the received date. Cases in the CIS Update Inbox must be reviewed by the ELRC within ten (10) days of the received date. Cases in the Proposal Inbox must be processed within thirty (30) days of the received date. Cases in the Redetermination Inbox must be processed no later than the redetermination due date.

D. Provider Payments. The selected Offeror(s) will invoice for services, review invoices, authorize payments, prepare payments by check or direct deposit, and maintain fiscal accounting records. The Department expects the selected Offeror(s) to analyze provider invoice submission for accurate child enrollment, service level, and approved schedule of service, and to render timely payments to providers. The selected Offeror(s) must:

- Encumber forty-five percent (45%) of funds by the end of December for the current fiscal year, as determined by invoicing.
- Ensure provider grant eligibility is based on the percent of program participation for each grant type.
- Ensure timely, accurate and proper spending on monthly invoices.

The selected Offeror(s) will ensure all child care providers are legally operating and eligible to receive child care subsidies. Regulated child care providers will be reimbursed based on the provider's reported rates up to a maximum amount published by the Department and referenced in PELICAN CCW. The selected Offeror(s) will reimburse unregulated, legally operating providers based on the rates published by the Department and referenced in PELICAN CCW.

All child care providers who submit accurate invoices for payment by the fifth (5th) calendar day of the month following the month in which care was provided will be issued payment by the twentieth (20th) day of that month.

All eligible parent/caretakers receiving care in their own home and whose child care provider submits accurate invoices for payment by the fifth (5th) calendar day of the month following the month in which child care was provided will be issued payment by the twentieth (20th) day of that month.

The selected Offeror(s) will process case actions for suspended and authorized cases within the timeframes established by OCDEL. A case may not be in suspended status for more than one hundred and three (103) days (includes Adverse Action Period). A case may not be in authorized status for more than forty three (43) days (includes Adverse Action period).

The selected Offeror(s) will participate in all invoicing methods including OAT and paper invoices.

The selected Offeror(s) must:

- Efficiently move funds to providers.
- Manage their service allocations in a manner that maximizes expenditures, available funds, and encumbrances.

E. Resource and Referral. The selected Offeror(s) will assist parents in locating and understanding

the benefits of quality child care and early learning programs, maintain current provider data information, and perform online searches for parents. The selected Offeror(s) must educate parents regarding elements of quality child care, interpret the reported childcare needs of the parent, and supply parents with provider referrals based on the expressed needs.

Some examples of Resource and Referral activities the selected Offeror(s) may conduct for families may include:

- Consumer Awareness of Keystone STARS and understanding of what to ask and look for when looking for child care and early learning programs.
- Early care and education programs – matching child and family needs to high-quality early learning programs.
- Continuity of care to support access to high-quality care and services.
- Full system of supports (Child Care Works, Women, Infants, and Children Food and Nutrition Program (“WIC”), Children’s Health Insurance Program (“CHIP”), Home Visiting, Early Intervention, Family Centers, Community Action Programs, Early Childhood Mental Health), and other local services.
- Information - expulsion, suspension, Early Intervention, etc.
- Earned Income tax credits registration.
- Voter registration.

The selected Offeror(s) must:

- Provide comprehensive and consistent communications, information, and Resource & Referral services regarding all OCDEL programs.
- Provide comprehensive information on all agency services, provide timely responses to all inquiries, and resolve complaints in a timely and professional manner.
- Engage in outreach in collaboration efforts that are received positively in the community.
- Make family services available to the public and all families who may be eligible for services.
- Distribute information on the selection of quality child care based on the Department’s requirements.
- Submit a grievance procedure that is subject to review and approval by OCDEL.
- Maintain an eighty percent (80%) satisfaction rate for questions pertaining to Staff interactions.
- Collaborate and work cross-systems with Regional Certification Offices.
- Provide networking opportunities.
- Provide professional development opportunities across the region and throughout the Core Knowledge Competencies and Competency Levels.

F. Provider Management. The selected Offeror(s) will maintain provider agreements; collect and verify rate information; manage out-of-state provider certification; and process relative-provider providers, including initiating background checks, meeting face-to-face with providers, and verifying documentation. Activities may include, but are not limited to:

- Monitoring of Relative Care - Face-to-face meeting for approval (background checks, fingerprints, provider information, payment agreements, support to certification).
- Child Care Works Provider Enrollment.
- Child and Adult Care Food Program (“CACFP”) Provider Enrollment.

- Utilization of Provider Self Service - Marketing, certificate renewal, update location and provider profile, and online invoicing.

The selected Offeror(s) must execute provider agreements for all certified/regulated and relative providers; conduct periodic Market Rate Surveys (“MRS”); support relative-provider providers as they navigate clearance and background checks, and monitor fulfillment of relative-provider provider training requirements.

The MRS is distributed to all regulated providers in Pennsylvania. The survey measures the rates charged by providers and paid by parents in the childcare market. The rates indicated on the survey are used for federal reporting purposes and may be used as an aid in determining the local maximum childcare allowance for the subsidy program.

Relative provider care is legally unregulated care that is provided by a single provider in his/her own home for not more than the following: three (3) unrelated children at any one time; or a total of six (6) children at any one time, to include any combination of grandchildren and/or up to three (3) unrelated children; or a combination of no more than five (5) related and unrelated infants and toddlers.

The successful Offeror(s) will:

- Determine that the child care services are provided by a center-based, group-based, family child care provider/neighbor provider or in-home care provider that is legally operating and eligible to receive child care subsidies.
- Ensure that all child care providers meet the regulatory requirements and are paid rates according to their specified county’s Maximum Child Care Allowance (“MCCA”) rate scale (Element 400) and the rates are entered into the database system correctly and are paid timely.

G. Funds Management. The selected Offeror(s) will create budgets and budget revisions; referrals to the Office of Inspector General (“OIG”) for suspected fraud; determine and collect overpayments; provide final expenditure reporting; and fiscal year start up and end information. The selected Offeror(s) must create and monitor expenditures of the Family Support Services (“FSS”) allocation and designated service allocations to ensure neither over-expenditure nor under-expenditure of funds.

FSS allocations is funding reserved for administrative and operating expenses as designated by the Department. These expenses may include salaries, employee benefits, occupancy costs, supplies, etc.

The selected Offeror(s) will:

- Consistently maintain an FSS budget that is appropriate based on personnel and operational needs; that meets OCDEL deadlines for submission of Budget Revisions and Riders; and enters FSS expenditures timely and has procedures in place to support these practices.
- Monitor overpayments monthly and, upon request, report to the Department if the total sum of all overpayments exceeds one percent (1%) of the service allocation.

- Continue to enroll children off the waiting list when funds are available in accordance with the Department's overbooking percentages and enrollment procedures. Overbooking is a dollar amount entered into PELICAN CCW allowing enrollment to exceed the service allocation for a given fund, especially near the beginning of a fiscal year. Overbooking is currently only entered for Low Income, as this is the only fund that has a Waiting List. Once the encumbered funds reach the service allocation plus the overbooking amount, new enrollments will be diverted to the Waiting List. The ELRC must manage overbooking levels throughout the year based on direction from the Department. ELRC will enroll children as funds are available and in accordance with the Department's overbook percentages and directives.
- Monitor the fiscal management of set-asides to ensure there is neither over-expenditure nor significant under-expenditure of funds at the end of the grant period.
- Validate invoices from participating providers to ensure that payment is made only for authorized services.
- Manage late or incorrect invoices according to policy and pay approved invoices by the next payment cycle.
- Recoup funds, upon notification from the Department and through payment adjustments, from any provider or sub-contractor that has an outstanding financial obligation to the Department. The selected Offeror(s) will not assume responsibility for these overpayments if unable to collect.
- Establish specific set-asides as directed by the Department. The selected Offeror(s) will monitor the fiscal management of the set-asides to ensure there is neither an over-expenditure nor significant under-expenditure of funds at the end of the grant period.
- Offer to any child care provider that seeks to participate in the subsidized child care program and is eligible to participate, a provider agreement within fifteen (15) days of a parent selecting them as the provider of choice for child care.
- Not change or modify any provider agreements or eligibility forms.
- Validate invoices from participating providers to ensure that payment is made only for authorized services.
- Manage late or incorrect invoices according to policy and pay approved invoices by the next payment cycle.
- Monitor the expenditure of service allocations daily to ensure there is neither an over-expenditure nor under-expenditure of the subsidized child care funds.
- Be familiar with COMPASS Provider Search, which is used to make client referrals to early learning services.

- Utilize PELICAN Keys to Quality to manage quality funds to child care providers and issue payment under guidance provided by the office for grants and awards as available.
- Manage subcontractor agreements for the provision or approved activities to support technical assistance or professional development
- Conduct fiscal monitoring and expenditures in accordance with the Financial Guidelines ELS Announcement regarding State requirements with one hundred percent (100%) compliance.
- Conduct fiscal monitoring conducted and expenditures made in accordance with the Financial Guidelines ELS Announcement regarding Federal requirements with one hundred percent (100%) compliance.
- Make/Maintain a general ledger records of travel costs, Professional Development revenues, and Infant/Toddler expenditures in accordance with the Financial Guidelines ELS Announcement regarding State requirements with one hundred percent (100%) compliance.
- Execute and monitor grants to ensure achievement of deliverables, accountability, timely receipt of fiscal and program reports, review of reports, and disbursement of funds.

H. Collaboration. The selected Offeror(s) will work in an integrated and collaborative way both locally and statewide within the early learning service community to implement the CCW and Keystone STARS programs; facilitate community planning, support, partnerships, and activities with early care and education providers, Certification Regional Offices, local School Districts, home visiting programs, and Local Education and Resource Network (“LEARN”), etc. Such activities may include, but are not limited to:

- Regional coordination activities including community planning.
- Working in partnership with OCDEL regional liaisons.
- Data/Information sharing with Certification, Early Intervention.
- Participating in workforce development/Professional Development with Certification and Workforce Development Boards.
- Identifying qualified providers for certification and supporting initial screenings and orientation sessions of Certification applicants.
- Management of Relative Caregiver – support pathways to certification.
- Manage collaboration and transfer of data Support of Family Centers and Home Visitors (located at Early Intervention).
- Collaboration with Certification Staff, Early Intervention and PA Key.
- Collaboration to support communication and quality improvement between Certification Reps and Early Learning Resource Center staff.
- Piloting Innovations through local partnerships and funding strategies.
- Deliver Technical Assistance based on provider needs and trends.

The successful Offeror(s) will:

- Participate in state workgroups, such as OCDEL Integration Efforts, Designator Reliability, SMART Database, Differentiated Designation, etc.
- Participate in stakeholder meetings.
- Participate in director level meetings, such as Program Management and Implementation.

- Participate in work related travel for meetings, trainings, and visits to providers or families.
- Ensure leadership and participation in state level efforts.
- Sponsor and attend meetings of various stakeholders to obtain feedback regarding the ELRC and STARS and comply with the fiscal requirements of the grant agreement.
- Engage in outreach and collaboration efforts that are received positively in the community.

I. Communication. The selected Offeror(s) will develop and implement communication strategies to ensure that early learning practitioners are aware of professional development opportunities and programs and communities are aware of Keystone STARS. The selected Offeror(s) will ensure that new advances and opportunities are appropriately communicated to participants and community stakeholders.

Upon request from the Department, the selected Offeror(s) will distribute to families and providers information on services offered by Federal or State Agencies, Provider Agreement policy information from CCW, and other information on quality initiatives and support services offered by the Department or the Department’s business partners.

The selected Offeror(s) will:

- Provide comprehensive information on all agency services; provide a timely response to all inquiries within three (3) days; and resolve complaints within three (3) days in a professional manner.
- Provide consistent communications, parent education information, and resource & referral services regarding all OCDEL programs.
- Respond to OCDEL report requests, both scheduled and special requests, within the designated timeframes. The types of reports may include: Grant/Rider, Budget Revisions, RECAP, OCDEL Reports and other financial/informational requests from OCDEL. The selected Offeror must have procedures in place to support these practices. The agency must follow all OCDEL policies and procedures and the requirements set forth in the RFP.
- Submit reports, financial documents and other information as requested by OCDEL.
- Enter data and maintain data management systems in a timely manner.
- Ensure OCDEL is aware of key personnel changes.
- Plan, coordinate, implement, and assess status of state and agency deliverables/requirements within defined timeframes.
- Show quarterly progress in meeting targets for recruitment and movement in Keystone STARS.
- Show monthly progress in meeting targets for recruitment and movement of providers (Head Start, Pre-K Counts, Stand Alone, Private Academic, School District, etc.)
- STARS Designations are accurately recorded in PELICAN/Keys to Quality (“K2Q”) within five (5) business days of designation date with a ninety percent (90%) accuracy rate.
- Designations/Renewals are completed before the expiration date with a ninety percent (90%) accuracy rate.
- Designators complete reliability visits.
- Data quality between the SMART Database and K2Q is at least a ninety percent (90%) match.
- OIG referrals are processed and suspensions are entered in K2Q within three (3) business days.

- Appropriate notation in the comment field of PELICAN/K2Q specifying the reason for suspension and/or any other designation type.
- Providers are notified of suspensions within three (3) business days of the suspension as found in K2Q.
- Proper grant request amounts are entered in KQ.
- List all vacancies and positions filled, dates of hire and termination, Full-Time Equivalency (“FTE”), and/or provide budget revisions that reflect program/personnel cost savings.

J. Support for Early Care and Education Providers. The selected Offeror(s) will provide facilitation and navigation of coordinated/aligned and individualized support services for diverse programs including:

- Navigating the full system of supports.
- Supporting early care and education provider shared services alliances and networks.
- Serving as an information hub for potential child care providers including local capacity building supports for underserved areas.
- Early Intervention Coordination supports (utilizing services of EITA)
- Professional development (utilizing content developed by PA Key) and technical assistance as referred by Certification (Ongoing Targeted support) – Follow-up to supervision (case planning and implementation).

The selected Offeror(s) will encourage all early learning practitioners to increase their educational attainment. The selected Offeror(s) will review funding priorities to promote credit-bearing offerings and explore alternative higher education opportunities, such as distance/online education.

The selected Offeror(s) will deliver prescribed professional development to early childhood professionals in their service region. The selected Offeror(s) may choose to utilize contracts with professional development organizations, higher education providers, and individuals to support approved professional development delivery.

K. Staff Training. The selected Offeror(s) will internally:

- Train all new staff within sixty (60) calendar days of their state date, on all aspects of their job assignments.
- Ensure staff receives on-going training within thirty (30) calendar days of any updates or changes to any aspect of their job assignments.
- Cross-train staff to ensure that core functions can be performed in any event of staff vacancies and/or absences.
- Submit a training plan that is subject to annual review and approval by OCDEL.

Additionally the Department requires periodic face-to-face meetings of Key Personnel and/or subsets of the grantee or subcontractor staff. In developing the Cost Submittal of the RFP, the Offeror should plan for:

1. Key Program Leadership staff to convene for one (1) to two (2) days every other month in the first year of the grant, and quarterly thereafter.
2. Quality Technical Assistance Staff or subcontractor supporting Keystone STARs to convene one (1) to two (2) days quarterly for the duration of the grant.

L. STARS Participation and Movement. The selected Offeror(s) will implement all recruitment, professional development and technical assistance activities to support participation in Keystone STARS and movement through the Keystone STARS levels including, but not limited to:

- Program recruitment and enrollment for higher STAR levels.
- Case management of STARS programs.
- Participation in a seamless monitoring system with Certification.
- Professional development, technical assistance and coaching (alignment with Certification and Early Intervention) – Coaching support.
- Management of funds to support quality at the program level.
- Monitoring and Designation - reciprocity opportunities.
- Continuous Quality Improvement Supports.
- Retention and move up (metric for success).
- Consumer Awareness.

M. Turnover. Turnover is defined as those activities that the selected Offeror(s) must perform at the end of the grant period, to turnover service delivery to a successor Offeror(s) or to Commonwealth resources. During the turnover period, the selected Offeror(s) will work cooperatively with any successor and the Department.

During turnover, the selected Offeror(s) will ensure that program stakeholders do not experience any adverse impact from the transfer of services. Nine (9) months prior to the end of the grant term, or upon the Issuing Office's request, the selected Offeror(s) must develop and submit a Turnover Plan, for approval by the Department, which details the proposed transition schedule, activities, and resource requirements for the necessary turnover tasks to be implemented upon the Issuing Office's request. The selected Offeror(s) will pay all costs related to the transfer of materials and responsibilities as a normal part of doing business with the Commonwealth.

The selected Offeror(s) must:

- Execute the approved Turnover Plan in cooperation with the incoming selected Offeror's Transition Plan.
- Maintain service delivery staffing levels during the turnover period unless otherwise expressly approved by the DHS Grant Administrator.
- Not restrict or prevent the selected Offeror(s) staff from accepting employment or positions with the Department or with any successor Offeror(s). The Department will work with the incumbent and successor Offerors on the timing of any transition of incumbent staff.
- Notify the DHS Grant Administrator of reassignment or termination of employment or Agreement with any of its staff during Turnover prior to reassignment or termination of the staff.
- Provide to the DHS Grant Administrator within fifteen (15) business days of the request, all updated scripts and other documentation and records required by the Department.
- Turn over the operation and management of all service delivery functions to the DHS Grant Administrator or a new Grantee. This turnover must be planned and managed in an orderly fashion so that no disruption of service to children, families, or providers occurs.
- Work closely with the Department to ensure that this turnover of responsibilities and the necessary knowledge transfer are completed by the end of the grant period.
- Respond in a reasonable time to all DHS Grant Administrator requests regarding turnover information.

III-9. Reports and Project Control. The Department exercises this Control through the requirement for Quarterly and Final Performance Information Reports (“PIR”) and other reports as identified and deemed necessary by the Department. In addition to the Quarterly and Final PIRs, the selected Offeror(s) will provide the following reports.

A. Problem Identification Report. An “as applicable” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include the selected Offeror(s) recommendations with supporting rationale.

B. OCDEL Report Requests. Examples of such requests may include, but are not limited to the following:

1. Budget Revisions, as needed, which include a budget template and a budget justification narrative.
2. Monthly explanations of percent spend down by budget line item and category on an OCDEL-approved template
3. Annual Earned income rollover in K2Q as part of the fiscal year-end closeout.
4. Annual Regulatory referral activity as part of the fiscal year-end closeout.
5. Annual End of year recap narrative on an OCDEL approved template.
6. Annual Fiscal year financial closeout in PELICAN K2Q and a final invoice on an OCDEL-approved form, by August 30.
7. Annual Grant monitoring data Grant /Rider Reports which must be completed by September 30 on an OCDEL-approved template.
8. Annual OIG list of providers/grantees summary report of providers who have been suspended by OIG for improper use of funds. This report is due November 30th for providers on the list from the preceding fiscal year.
9. Annual Audit to comply with terms of DHS Agreement, which is due by March 30 following the closeout of the preceding fiscal year in accordance with DHS audit clauses included in the grantee’s agreement.
10. Support all requirements for mandated federal reporting.
11. Collect and report data for the agency’s obligations under the National Voter Registration Act (“NVRA”).

III-10. Performance Standards. The Commonwealth has developed a set of minimum Performance Standards, which the selected Offeror(s) must meet, or exceed in order to be in good standing. The selected Offeror(s)’s performance will be reviewed and assessed on a quarterly basis. The DHS Grant Administrator will give written notice of each failure to meet a performance standard to the selected Offeror(s). The Performance Standards include the following, verified through system review and on site monitoring):

CATEGORY	CRITERIA	PERFORMANCE STANDARD
Policy and Procedures	The selected Offeror(s) must be familiar with and follow OCDEL policies and procedures as outlined in appropriate policy and procedures manual CCW and Keystone STARS. (Task C)	The selected Offeror(s) must demonstrate an understanding of policies and procedures with full compliance.

Application/Re determination Forms	The selected Offeror(s) must maintain and process eligibility forms for all subsidy (Low Income, Former TANF, and TANF) clients accurately and timely. (Task C)	The selected Offeror(s) must demonstrate an overall error rate of 10% or less on processing and maintaining eligibility forms.
Priority Group Placement	The selected Offeror(s) must utilize the correct regulations for all priority groups (TANF, Former TANF and Special Needs) and process those cases correctly. (Task C)	The selected Offeror(s) must demonstrate an overall error rate of 10% or less on processing all priority group cases.
Qualifying Head of Household	The selected Offeror(s) must determine that the parent/caretaker is meeting the eligible definition of parent/caretaker. (Task C)	The selected Offeror(s) must demonstrate an overall error rate of 10% or less in determining an eligible parent/caretaker correctly.
Residency	The selected Offeror(s) must determine that the parent/caretaker resides in Pennsylvania and in the county of application. (Task C)	The selected Offeror(s) must demonstrate an overall error rate of 10% or less serving families from their county of application.
Parental Work/Training Status	The selected Offeror(s) must determine that the parent/caretaker(s) meet the work/education/training requirement based on their documented circumstances and eligibility criteria. (Task C)	The selected Offeror(s) must demonstrate an overall error rate of 10% or less in determining the work/education/training requirements for subsidy families.
Qualifying Child	The selected Offeror(s) must determine that the child(ren) receiving child care is/are qualified based on the regulations for age and citizenship. (Task C)	The selected Offeror(s) must demonstrate an overall error rate of 10% or less in serving qualified child(ren) based on their age and citizenship.
Qualifying Care Eligibility Determination	The selected Offeror(s) must determine that the hours of care provided to the child(ren) are based on the parent/caretaker(s) work/education/training hours and their documented need for care. (Task C)	The selected Offeror(s) must demonstrate an overall error rate of 10% or less of providing hours of care that are based on work/education/training hours and their documented need for care.
Qualifying Care and Provider Arrangement	The selected Offeror(s) must determine that the child care services are provided by a center based, group based, family child care provider/neighbor provider or in-home care provider that is legally operating and eligible to receive child care subsidies. (Task F)	The selected Offeror(s) must demonstrate an overall error rate of 10% or less in determining a provider is operating legally and eligible for child care subsidies.
Qualifying Care and Provide Arrangement	The selected Offeror(s) must assure that all child care providers meet the regulatory requirements and are paid rates according to their specified county's Maximum Child Care Allowance ("MCCA") rate scale (Element 400) and the rates are entered	The selected Offeror(s) must demonstrate an overall error rate of 10 percent or less ensuring that all child care providers meet regulatory requirements and are paid accurate rates according to the MCCA approved rates.

	into the data base system correctly and paid timely. (Task F)	
Income/Income Standards	The selected Offeror(s) must utilize the correct income calculations and determine eligibility correctly based on all the verification provided by the parent/caretaker. (Task C)	The selected Offeror(s) must demonstrate an overall error rate of 10 percent (10%) or less in calculating correct income calculations and determine eligibility correctly based on all documented verification.
Income/Income Standards	The selected Offeror(s) must determine that the household income meets the state's family gross income within the specified FPIG guidelines. (Task C)	The selected Offeror(s) must demonstrate an overall error rate of 10 percent (10%) or less in determining that the household income meets the state's family gross income within the specified FPIG guidelines.
Income/Income Standards	The selected Offeror(s) must determine the amount of subsidy payment authorized based on income, family size, the MCCA payment rate schedule, and assesses the correct co-pay. (Task C)	The selected Offeror(s) must demonstrate an overall error rate of 10 percent (10%) or less in determining the amount of subsidy payment authorized is based on documented income, family size, the MCCA payment rate schedule, and assess the correct co-pay.
Customer Service	The selected Offeror(s) must provide comprehensive information on all agency services, provide timely responses to all inquiries, and resolve complaints in a timely and professional manner. (Task I)	The selected Offeror(s) must provide the required information on all agency services; provide timely response to inquiries (within three (3) business days) and resolve complaints in a timely and professional manner (per policy) and has procedures in place to support these practices.
Customer Service	The selected Offeror(s) must provide comprehensive and consistent communications, information, and Resource & Referral services regarding all OCDEL programs. (Task E)	The selected Offeror(s) provides required Communication, Information, and Resource & Referral services for OCDEL programs and has procedures in place to support these practices.
Caseload Management	The selected Offeror(s) must process case actions for suspended and authorized cases within the timeframes established by OCDEL. (Task C)	The selected Offeror(s) must process their suspended enrollments and authorized cases within the timeframes established by OCDEL; documents any explanations clearly in case comments and have procedures in place to support these practices. Less than 10 percent (10%) error rate.
Caseload Management	The selected Offeror(s) must process case actions for redeterminations within the timeframes established by OCDEL. (Task C)	The selected Offeror(s) must process redetermination cases within the timeframes established by OCDEL with an error rate of 10 percent (10%) or less; document any exceptions clearly in case comments and have procedures in place to support these practices.

Caseload Management	The selected Offeror(s) must process and manage information received in their inboxes and update inboxes within the timeframe established by OCDEL. (Task C)	The selected Offeror(s) must consistently review all information received in their inboxes and update boxes within the timeframes established by OCDEL; document any explanations clearly in case comments and have procedures in place to support these practices. Less than 10 percent (10%) error rate.
Administrative Management	The selected Offeror(s) must manage their service allocations in a manner that maximizes expenditures, available funds and encumbrances. (Task G)	The selected Offeror(s) must consistently manage their service allocation through proactive monitoring and utilization and have procedures in place to support these practices. Less than 10 percent (10%) error rate.
Administrative Management	The selected Offeror(s) must manage their Family Support Services Expenditures correctly. (Task G)	The selected Offeror(s) must consistently maintain an FSS budget that is appropriate based on personnel and operational needs; that meets OCDEL deadlines for submission of Budget Revisions and Riders; and enters FSS expenditures timely and has procedures in place to support these practices. Less than 10 percent (10%) error rate.
Administrative Management	The selected Offeror(s) must submit reports, financial documents, and other information as requested by OCDEL. (Task I)	The selected Offeror(s) must consistently submit accurate financial reports to OCDEL by the established timeframes. The types of reports include: Grant/Rider, Budget Revisions, RECAP, OCDEL Reports and other financial/informational requests from OCDEL. The selected Offeror(s) must have procedures in place to support these practices. The agency must follow all OCDEL policies and procedures and the requirements set forth in the RFP. Less than 10 percent (10%) error rate.
Evaluation and Accountability	The selected Offeror(s) must enter data and maintain data management systems in a timely manner. (Task I)	<p>The selected Offeror(s) must ensure that:</p> <ul style="list-style-type: none"> • STARS Designations are accurately recorded in PELICAN/K2Q within five business days of designation date with a 90% accuracy rate. • Designations/Renewals are completed before the expiration date with a 90% accuracy rate. • Designators complete reliability visits. • Data quality between the SMART Database and Keys to Quality (“K2Q”) is at least a 90 percent (90%) match. • OIG referrals are processed and suspensions are entered in K2Q within three (3) business days. • Appropriate notation in the comment field of PELICAN/K2Q specifying the reason

		<p>for suspension and/or any other designation type.</p> <ul style="list-style-type: none"> • Providers are notified of suspensions within three (3) business days of the suspension as found in K2Q. • Proper grant request amounts are entered in K2Q.
Evaluation and Accountability	The selected Offeror(s) must respond to OCDEL report requests (both scheduled and special requests) within the designated timeframes. (Task I)	<p>The selected Offeror(s) must:</p> <ul style="list-style-type: none"> • Provide a monthly explanation of the percent spend down by budget line item and category. • No more than one percent (1%) or less of the ELRC budget is returned by the final invoice. • Complete an Earned Income Rollover in K2Q for the next fiscal year within 60 days after the end of the previous fiscal year. • Submit an Excel Spreadsheet of STARS Applications within specified timeframe. • Complete Regulatory Referral activity and send to OCDEL. Within two (2) days of identification • Complete End of Year Recap and send to OCDEL no later than August 31. • List twenty to twenty-five percent (20-25%) of grants monitored in compliance with the Financial Guidelines ELS. • Close-out of K2Q complete for previous fiscal year by August 31. • Have an audit to comply with the terms of the DHS contract (a copy must also be submitted to OCDEL program staff by the March 31 due date).
Evaluation and Accountability	The selected Offeror(s) must respond to special report requests within established deadlines. (Task I)	<p>The selected Offeror(s) must:</p> <ul style="list-style-type: none"> • Plans, coordinate, implement, and assess status of state and agency deliverables/requirements within defined timeframes. • Show quarterly progress in meeting targets for recruitment and movement in Keystone STARS. • Show monthly progress in meeting targets for recruitment and movement of providers. (Head Start, Pre-K Counts, Stand Alone, Private Academic, School District, etc.)

Leadership, Administration and Management	The selected Offeror(s) must ensure leadership and participation in state level efforts. (Task H)	<p>The selected Offeror(s) must:</p> <ul style="list-style-type: none"> • Participate in state workgroups such as OCDEL Integration efforts, Designator Reliability, SMART Database, Differentiated Designation, etc. • Participate in stakeholder meetings. • Participation in director level meetings such as Program Management and Implementation. • Participate in work related travel for meetings, trainings and visits to providers or families.
Leadership, Administration and Management	The selected Offeror(s) must efficiently move funds to providers. (Task D)	<p>The selected Offeror(s) must:</p> <ul style="list-style-type: none"> • Encumber 45 percent (45%) of funds by the end of December for the current fiscal year, as determined by invoicing. • Ensure provider grant eligibility is based on the percent of program participation for each grant type. • Ensure timely, accurate and proper spending on monthly invoices.
Leadership, Administration and Management	The selected Offeror(s) must ensure OCDEL is aware of any key personnel changes associated with the grant. (Task I)	The selected Offeror(s) will list all vacancies and positions filled, dates of hire and termination, Full-Time Equivalency (“FTE”), and/or provide budget revisions that reflect program/personnel cost savings.
Leadership, Administration and Management	The selected Offeror(s) must sponsor and attends meetings of various stakeholders to obtain feedback regarding the ELRC and STARS and comply with the fiscal requirements of the grant agreement. (Task H)	<p>The selected Offeror(s) must:</p> <ul style="list-style-type: none"> • Conduct fiscal monitoring and expenditures in accordance with the Financial Guidelines ELS Announcement regarding State requirements with 100 percent (100%) compliance. • Conduct fiscal monitoring conducted and expenditures made in accordance with the Financial Guidelines ELS Announcement regarding Federal requirements with 100 percent (100%) compliance. • Make/Maintain a general ledger records of travel costs, Professional Development revenues, and Infant/Toddler expenditures in accordance with the Financial Guidelines ELS Announcement regarding State requirements with 100 percent (100%) compliance. • Execute and monitor grants to ensure achievement of deliverables, accountability, timely receipt of fiscal and

		program reports, review of reports, and disbursement of funds.
	The selected Offeror(s) must engage in outreach and collaboration efforts that are received positively in the community. (Tasks E and H)	<p>The selected Offeror(s) must:</p> <ul style="list-style-type: none"> • Maintain an 80 percent (80%) satisfaction rate for questions pertaining to Staff. • Collaborate and work cross-systems with Regional Certification Offices. • Provide networking opportunities. • Provide professional development opportunities across the region and throughout the Core Knowledge Competencies and Competency Levels.

- A.** For any deficiency, including ones relating to the performance metrics, the selected Offeror(s) will prepare and submit a CAP for any observation or finding contained in a notice of deficiency. The selected Offeror(s) must submit the CAP to DHS within ten (10) business days of notification of the deficiency or such longer time as may be agreed to by DHS.
- B.** The corrective action plan must include, but is not limited to:
1. Brief description of the findings;
 2. Specific steps the selected Offeror(s) will take to correct the situation or reasons why it believes corrective action is not necessary;
 3. Name(s) and title(s) of responsible staff person(s);
 4. Timetable for performance of the corrective action steps;
 5. Monitoring that will be performed to ensure that corrective action steps were implemented;
 6. Signature of the selected Offeror(s)'s Contract Administrator or a senior executive.
- C.** The selected Offeror(s) must implement the corrective action plan within the timeframe agreed to by the parties for that particular corrective action plan. Failure to implement a corrective action plan, in the manner agreed to, may result in further action by DHS, including, but not limited to, a finding of default.
- D.** In the event DHS determines a deficiency to be a serious non-compliance with the selected Offeror(s)'s obligations under the agreement, DHS may find the selected Offeror(s) in default, potentially resulting in the termination of the grant.

PART IV

COST SUBMITTAL

IV-1. Cost Submittal. The information requested in this **Part IV** shall constitute the Cost Submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separated from the technical submittal. The total proposed cost should be broken down into the components set forth in **Appendix K – Cost Submittal Worksheet**. Offerors should **not** include any assumptions in their cost submittals. If the Offeror includes assumptions in its cost submittal, DHS may reject the proposal. Offerors should direct in writing to the Project Officer pursuant to **Part I, Section I-11** of this RFP any questions about whether a cost or other component is included or applies. All Offerors will then have the benefit of the DHS's written answer so that all proposals are submitted on the same basis.

DHS will reimburse the selected Offeror for work satisfactorily performed after execution of a written agreement and the start of the grant agreement, in accordance with agreement requirements, and only after DHS has issued a notice to proceed.

PART V

STANDARD GRANT TERMS AND CONDITIONS FOR SERVICES

1. TERM OF GRANT

The term of the Grant shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Grant, subject to the other provisions of the Grant. The Effective Date shall be fixed after the Grant has been fully executed by the Grantee and by the Commonwealth and all approvals required by Commonwealth procedures have been obtained. No agency employee has the authority to verbally direct the commencement of any work under this Grant. The Commonwealth reserves the right, upon notice to the Grantee, to extend the term of the Grant for up to three (3) months upon the same terms and conditions. This will be utilized to prevent a lapse in Grant coverage and only for the time necessary, up to three (3) months, to enter into a new Grant.

2. INDEPENDENT GRANTEE

In performing the services required by the Grant, the Grantee will act as an independent Grantee and not as an employee or agent of the Commonwealth.

3. COMPLIANCE WITH LAW

The Grantee shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Grant.

4. ENVIRONMENTAL PROVISIONS

In the performance of the Grant, the Grantee shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations.

5. POST-CONSUMER RECYCLED CONTENT

Except as specifically waived by the Department of General Services in writing, any products which are provided to the Commonwealth as a part of the performance of the Grant must meet the minimum percentage levels for total recycled content as specified in Exhibits A-1 through A-8 to these Standard Grant Terms and Conditions.

6. COMPENSATION/EXPENSES

The Grantee shall be required to perform the specified services at the price(s) quoted in the Grant. All services shall be performed within the time period(s) specified in the Grant. The Grantee shall be compensated only for work performed to the satisfaction of the Commonwealth. The Grantee shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Grant.

7. INVOICES

Unless the Grantee has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Grantee shall send an *invoice itemized by line item* to the address referenced on the grant promptly after services are satisfactorily completed. The invoice should include only amounts due under the Grant agreement. The grant number must be included on all invoices. In addition, the Commonwealth shall

have the right to require the Grantee to prepare and submit a "Work In Progress" sheet that contains, at a minimum, the tasks performed, number of hours, hourly rate, and the Grant number or task order to which it refers.

8. PAYMENT

- a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Grant; (b) thirty (30) days after a proper invoice actually is received at the "Provide Service and Bill To" address if a date on which payment is due is not specified in the Grant (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Grant. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Grantee as acceptance of the service performed by the Grantee. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. The Grantee agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Grantee or its subsidiaries to the Commonwealth against any payments due the Grantee under any Grant with the Commonwealth.
- b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Grant or purchase order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which the Grantee will be required to pay and the Grantee will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are the responsibility of the Grantee. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Grantee or any other charges incurred by the Grantee, unless specifically stated in the terms of the Grant or purchase order.

9. TAXES

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction Grantee from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction Grant.

10. WARRANTY

The Grantee warrants that all services performed by the Grantee, its agents and subGrantees shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Grant, all services and parts are warranted for a period of one year following completion of performance by the Grantee and acceptance by the

Commonwealth. The Grantee shall correct any problem with the service and/or replace any defective part with a part of equivalent or superior quality without any additional cost to the Commonwealth.

11. PATENT, COPYRIGHT, AND TRADEMARK INDEMNITY

The Grantee warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of the Grant which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report document or other material provided to the commonwealth under the Grant. The Grantee shall defend any suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of the Grant. This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same. As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action. If information and assistance are furnished by the Commonwealth at the Grantee's written request, it shall be at the Grantee's expense, but the responsibility for such expense shall be only that within the Grantee's written authorization. The Grantee shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the Grantee or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of the Grant. If any of the products provided by the Grantee in such suit or proceeding are held to constitute infringement and the use is enjoined, the Grantee shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing. If the Grantee is unable to do any of the preceding, the Grantee agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of the Commonwealth, only those items of equipment or software which are held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase of the product, less straight line depreciation; 2) any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance paid for. The obligations of the Grantee under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Grantee without its written consent.

12. OWNERSHIP RIGHTS

The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Grant.

13. ASSIGNMENT OF ANTITRUST CLAIMS

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

14. HOLD HARMLESS PROVISION

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

15. AUDIT PROVISIONS

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the Grantee to the extent that the books, documents and records relate to costs or pricing data for the Grant. The Grantee agrees to maintain records which will support the prices charged and costs incurred for the Grant. The Grantee shall preserve books, documents, and records that relate to costs or pricing data for the Grant for a period of three (3) years from date of final payment. The Grantee shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

16. DEFAULT

- a. The Commonwealth may, subject to the provisions of Paragraph 17, Force Majeure, and in addition to its other rights under the Grant, declare the Grantee in default by written notice thereof to the Grantee, and terminate (as provided in Paragraph 18, Termination Provisions) the whole or any part of this Grant for any of the following reasons:
 - 1) Failure to begin work within the time specified in the Grant or as otherwise specified;
 - 2) Failure to perform the work with sufficient labor, equipment, or material to insure the completion of the specified work in accordance with the Grant terms;
 - 3) Unsatisfactory performance of the work;
 - 4) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
 - 5) Discontinuance of work without approval;
 - 6) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
 - 7) Insolvency or bankruptcy;
 - 8) Assignment made for the benefit of creditors;
 - 9) Failure or refusal within 10 days after written notice by the Granting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;
 - 10) Failure to protect, to repair, or to make good any damage or injury to property; or
 - 11) Breach of any provision of this Grant.
- b. In the event that the Commonwealth terminates this Grant in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, services similar or identical to those so terminated, and the Grantee shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical services included within the terminated part of the Grant.
- c. If the Grant is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Grantee to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Issuing Office, such partially completed work, including, where applicable, reports, working papers and other documentation, as the Grantee has specifically produced or specifically

acquired for the performance of such part of the Grant as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Grant price. Except as provided below, payment for partially completed work including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Grantee and Granting Officer. The Commonwealth may withhold from amounts otherwise due the Grantee for such completed or partially completed works, such sum as the Granting Officer determines to be necessary to protect the Commonwealth against loss.

- d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Grant.
- e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.
- f. Following exhaustion of the Grantee's administrative remedies as set forth in Paragraph 19, the Grantee's exclusive remedy shall be to seek damages in the Board of Claims.

17. FORCE MAJEURE

Neither party will incur any liability to the other if its performance of any obligation under this Grant is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Grantee shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Grantee becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the Grant is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Grantee shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect either to cancel the Grant or to extend the time for performance as reasonably necessary to compensate for the Grantee's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Grantee, may suspend all or a portion of the Grant.

18. TERMINATION PROVISIONS

The Commonwealth has the right to terminate this Grant for any of the following reasons. Termination shall be effective upon written notice to the Grantee.

- a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Grant for its convenience if the Commonwealth determines termination to be in its best interest. The Grantee shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Grantee be entitled to recover loss of profits.
- b. **NON-APPROPRIATION:** The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the

Commonwealth shall have the right to terminate the Grant. The Grantee shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under this Grant. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid for any appropriations available for that purpose

- c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Grant for Grantee default under Paragraph 16, Default, upon written notice to the Grantee. The Commonwealth shall also have the right, upon written notice to the Grantee, to terminate the Grant for other cause as specified in this Grant or by law. If it is later determined that the Commonwealth erred in terminating the Grant for cause, then, at the Commonwealth's discretion, the Grant shall be deemed to have been terminated for convenience under the Subparagraph 18.a.

19. GRANT CONTROVERSIES

- a. In the event of a controversy or claim arising from the Grant, the Grantee must, within six months after the cause of action accrues, file a written claim with the Granting officer for a determination. The claim shall state all grounds upon which the Grantee asserts a controversy exists. If the Grantee fails to file a claim or files an untimely claim, the Grantee is deemed to have waived its right to assert a claim in any forum.
- b. The Granting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the Granting officer and the Grantee. The Granting officer shall send his/her written determination to the Grantee. If the Granting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The Granting officer's determination shall be the final order of the purchasing agency.
- c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Grantee may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Grantee shall proceed diligently with the performance of the Grant in a manner consistent with the determination of the Granting officer and the Commonwealth shall compensate the Grantee pursuant to the terms of the Grant.

20. ASSIGNABILITY AND SUBGRANTING

- a. Subject to the terms and conditions of this Paragraph 20, this Grant shall be binding upon the parties and their respective successors and assigns.
- b. The Grantee shall not subGrant with any person or entity to perform all or any part of the work to be performed under this Grant without the prior written consent of the Granting Officer, which consent may be withheld at the sole and absolute discretion of the Granting Officer.
- c. The Grantee may not assign, in whole or in part, this Grant or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Granting Officer, which consent may be withheld at the sole and absolute discretion of the Granting Officer.

- d. Notwithstanding the foregoing, the Grantee may, without the consent of the Granting Officer, assign its rights to payment to be received under the Grant, provided that the Grantee provides written notice of such assignment to the Granting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Grant.
- e. For the purposes of this Grant, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Grantee provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.
- f. Any assignment consented to by the Granting Officer shall be evidenced by a written assignment agreement executed by the Grantee and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Grant and to assume the duties, obligations, and responsibilities being assigned.
- g. A change of name by the Grantee, following which the Grantee's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Grantee shall give the Granting Officer written notice of any such change of name.

21. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

During the term of the Grant, the Grantee agrees as follows:

- a. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the grant agreement or any subgrant agreement, contract, or subcontract, the Grantee, a subgrantee, a contractor, a subcontractor, or any person acting on behalf of the Grantee shall not discriminate in violation of the Pennsylvania Human Relations Act (PHRA) and applicable federal laws against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- b. The Grantee, any subgrantee, contractor or any subcontractor or any person on their behalf shall not in any manner discriminate in violation of the PHRA and applicable federal laws against or intimidate any of its employees.
- c. The Grantee, any subgrantee, contractor or any subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the grant services are performed shall satisfy this requirement.
- d. The Grantee, any subgrantee, contractor or any subcontractor shall not discriminate in violation of the PHRA and applicable federal laws against any subgrantee, contractor, subcontractor or supplier who is qualified to perform the work to which the grant relates.
- e. The Grantee and each subgrantee, contractor and subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws

and regulations relating to nondiscrimination and sexual harassment. The Grantee and each subgrantee, contractor and subcontractor further represents that it has filed a Standard Form 100 Employer Information Report (“EEO-1”) with the U.S. Equal Employment Opportunity Commission (“EEOC”) and shall file an annual EEO-1 report with the EEOC as required for employers subject to Title VII of the Civil Rights Act of 1964, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Grantee, any subgrantee, any contractor or any subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the granting agency and the Bureau of Small Business Opportunities (BSBO), for the purpose of ascertaining compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause.

- f. The Grantee, any subgrantee, contractor or any subcontractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subgrant agreement, contract or subcontract so that those provisions applicable to subgrantees, contractors or subcontractors will be binding upon each subgrantee, contractor or subcontractor.
- g. The Granter’s and each subgrantee’s, contractor’s and subcontractor’s obligations pursuant to these provisions are ongoing from and after the effective date of the grant agreement through the termination date thereof. Accordingly, the Grantee and each subgrantee, contractor and subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the grant agreement, it becomes aware of any actions or occurrences that would result in violation of these provisions.
- h. The Commonwealth may cancel or terminate the grant agreement and all money due or to become due under the grant agreement may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the granting agency may proceed with debarment or suspension and may place the Grantee, subgrantee, contractor, or subcontractor in the Contractor Responsibility File.

22. CONTRACTOR INTEGRITY PROVISIONS

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

- 1. **DEFINITIONS.** For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:
 - a. **“Affiliate”** means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or c) the entities have a common proprietor or general partner.
 - b. **“Consent”** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.

- c. **“Contractor”** means the individual or entity, that has entered into this contract with the Commonwealth.
 - d. **“Contractor Related Parties”** means any affiliates of the Contractor and the Contractor’s executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.
 - e. **“Financial Interest”** means either:
 - (1) Ownership of more than a five percent interest in any business; or
 - (2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
 - f. **“Gratuity”** means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor’s Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b)*, shall apply.
 - g. **“Non-bid Basis”** means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.
2. In furtherance of this policy, Contractor agrees to the following:
- a. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.
 - b. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
 - c. Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.
 - d. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor’s financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or

proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.

e. Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:

(1) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;

(2) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;

(3) had any business license or professional license suspended or revoked;

(4) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and

(5) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

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

Contractor shall comply with the requirements of the *Lobbying Disclosure Act (65 Pa.C.S. §13A01 et seq.)* regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a)*.

f. When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.

g. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the

Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

- h. Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.
- i. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

23. GRANTEE RESPONSIBILITY PROVISIONS

- a. The Grantee certifies, for itself and all its subGrantees, that as of the date of its execution of this Bid/Grant, that neither the Grantee, nor any subGrantees, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Grantee cannot so certify, then it agrees to submit, along with its Bid, a written explanation of why such certification cannot be made.
- b. The Grantee also certifies, that as of the date of its execution of this Bid/Grant, it has no tax liabilities or other Commonwealth obligations.
- c. The Grantee's obligations pursuant to these provisions are ongoing from and after the effective date of the Grant through the termination date thereof. Accordingly, the Grantee shall have an obligation to inform the Commonwealth if, at any time during the term of the Grant, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its subGrantees are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.

- d. The failure of the Grantee to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Grant with the Commonwealth.
- e. The Grantee agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for Investigations of the Grantee's compliance with the terms of this or any other agreement between the Grantee and the Commonwealth, which results in the suspension or debarment of the Grantee. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Grantee shall not be responsible for investigative costs for investigations that do not result in the Grantee's suspension or debarment.
- f. The Grantee may obtain a current list of suspended and debarred Commonwealth Grantees by either searching the internet at <http://www.dgs.state.pa.us> or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No. (717) 783-6472
FAX No. (717) 787-9138

24. AMERICANS WITH DISABILITIES ACT

- a. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., the Grantee understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Grant or from activities provided for under this Grant on the basis of the disability. As a condition of accepting this Grant, the Grantee agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through Grants with outside Grantees.
- b. The Grantee shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Grantee's failure to comply with the provisions of subparagraph a above.

25. HAZARDOUS SUBSTANCES

The Grantee shall provide information to the Commonwealth about the identity and hazards of hazardous substances supplied or used by the Grantee in the performance of the Grant. The Grantee must comply with Act 159 of October 5, 1984, known as the "Worker and Community Right to Know Act" (the "Act") and the regulations promulgated pursuant thereto at 4 Pa. Code Section 301.1 et seq.

- a. Labeling. The Grantee shall insure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by the Grantee is clearly labeled, tagged or marked with the information listed in Paragraph (1) through (4):

1) Hazardous substances:

- a) The chemical name or common name,
- b) A hazard warning, and
- c) The name, address, and telephone number of the manufacturer.

2) Hazardous mixtures:

- a) The common name, but if none exists, then the trade name,
- b) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
- c) The chemical or common name of hazardous substances consisting 1.0% or more of the mixture,
- d) A hazard warning, and
- e) The name, address, and telephone number of the manufacturer.

3) Single chemicals:

- a) The chemical name or the common name, A hazard warning, if appropriate, and
- b) The name, address, and telephone number of the manufacturer.

4) Chemical Mixtures:

- a) The common name, but if none exists, then the trade name,
- b) A hazard warning, if appropriate,
- c) The name, address, and telephone number of the manufacturer, and
- d) The chemical name or common name of either the top five substances by volume or those substances consisting of 5.0% or more of the mixture.

A common name or trade name may be used only if the use of the name more easily or readily identifies the true nature of the hazardous substance, hazardous mixture, single chemical, or mixture involved.

Container labels shall provide a warning as to the specific nature of the hazard arising from the substance in the container.

The hazard warning shall be given in conformity with one of the nationally recognized and accepted systems of providing warnings, and hazard warnings shall be consistent with one or more of the recognized systems throughout the workplace. Examples are:

- NFPA 704, Identification of the Fire Hazards of Materials.
- National Paint and Coatings Association: Hazardous Materials Identification System.
- American Society for Testing and Materials, Safety Alert Pictorial Chart.
- American National Standard Institute, Inc., for the Precautionary Labeling of Hazardous Industrial Chemicals.

Labels must be legible and prominently affixed to and displayed on the product and the carton, container, or package so that employees can easily identify the substance or mixture present therein.

- b. Material Safety Data Sheet. The Grantee shall provide Material Safety Data Sheets (MSDS) with the information required by the Act and the regulations for each hazardous substance or hazardous mixture. The Commonwealth must be provided an appropriate MSDS with the initial shipment and with the first shipment after an MSDS is updated or product changed. For any other chemical, the Grantee shall provide an appropriate MSDS, if the manufacturer, importer, or supplier produces or possesses the MSDS. The Grantee shall also notify the Commonwealth when a substance or mixture is subject to the provisions of the Act. Material Safety Data Sheets may be attached to the carton, container, or package mailed to the Commonwealth at the time of shipment.

26. COVENANT AGAINST CONTINGENT FEES

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

27. APPLICABLE LAW

This Grant shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. The Grantee consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Grantee agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

28. INTEGRATION

The Grant, including all referenced documents, constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Grantee has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Grant, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Grant. No modifications, alterations, changes, or waiver to the Grant or any of its

terms shall be valid or binding unless accomplished by a written amendment signed by both parties. All such amendments will be made using the appropriate Commonwealth form.

29. CHANGE ORDERS

The Commonwealth reserves the right to issue change orders at any time during the term of the Grant or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Grant and actual quantities; 2) to make changes to the services within the scope of the Grant; 3) to notify the Grantee that the Commonwealth is exercising any Grant renewal or extension option; or 4) to modify the time of performance that does not alter the scope of the Grant to extend the completion date beyond the Expiration Date of the Grant or any renewals or extensions thereof. Any such change order shall be in writing signed by the Granting Officer. The change order shall be effective as of the date appearing on the change order, unless the change order specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Grant, nor, if performance security is being furnished in conjunction with the Grant, release the security obligation. The Grantee agrees to provide the service in accordance with the change order. Any dispute by the Grantee in regard to the performance required under any change order shall be handled through Paragraph 19, "Grant Controversies".

For purposes of this Grant, "change order" is defined as a written order signed by the Granting Officer directing the Grantee to make changes authorized under this clause.

30. RIGHT TO KNOW LAW 8-K-1580

- a. Grantee or Subgrantee understands that this Grant Agreement and records related to or arising out of the Grant Agreement are subject to requests made pursuant to the Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL"). For the purpose of these provisions, the term "the Commonwealth" shall refer to the granting Commonwealth agency.
- b. If the Commonwealth needs the Grantee's or Subgrantee's assistance in any matter arising out of the RTKL related to this Grant Agreement, it shall notify the Grantee or Subgrantee using the legal contact information provided in the Grant Agreement. The Grantee or Subgrantee, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.
- c. Upon written notification from the Commonwealth that it requires Grantee's or Subgrantee's assistance in responding to a request under the RTKL for information related to this Grant Agreement that may be in Grantee's or Subgrantee's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), Grantee or Subgrantee shall:
 1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in Grantee's or Subgrantee's possession arising out of this Grant Agreement that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
 2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Grant Agreement.

- d. If Grantee or Subgrantee considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that Grantee or Subgrantee considers exempt from production under the RTKL, Grantee or Subgrantee must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of Grantee or Subgrantee explaining why the requested material is exempt from public disclosure under the RTKL.
- e. The Commonwealth will rely upon the written statement from Grantee or Subgrantee in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, Grantee or Subgrantee shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth's determination.
- f. If Grantee or Subgrantee fails to provide the Requested Information within the time period required by these provisions, Grantee or Subgrantee shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of Grantee's or Subgrantee's failure, including any statutory damages assessed against the Commonwealth.
- g. The Commonwealth will reimburse Grantee or Subgrantee for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.
- h. Grantee or Subgrantee may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, Grantee or Subgrantee shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of Grantee's or Subgrantee's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, Grantee or Subgrantee agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.
- i. The Grantee's or Subgrantee's duties relating to the RTKL are continuing duties that survive the expiration of this Grant Agreement and shall continue as long as the Grantee or Subgrantee has Requested Information in its possession.

DEPARTMENT OF HUMAN SERVICES ADDENDUM TO
STANDARD CONTRACT TERMS AND CONDITIONS

A. APPLICABILITY

This Addendum is intended to supplement the Standard Terms and Conditions. To the extent any of the terms contained herein conflict with terms contained in the Standard Contract Terms and Conditions, the terms in the Standard Contract Terms and Conditions shall take precedence. Further, it is recognized that certain terms contained herein may not be applicable to all the services which may be provided through Department contracts.

B. CONFIDENTIALITY

The parties shall not use or disclose any information about a recipient of the services to be provided under this contract for any purpose not connected with the parties' contract responsibilities except with written consent of such recipient, recipient's attorney, or recipient's parent or legal guardian.

C. INFORMATION

During the period of this contract, all information obtained by the Contractor through work on the project will be made available to the Department immediately upon demand. If requested, the Contractor shall deliver to the Department background material prepared or obtained by the Contractor incident to the performance of this agreement. Background material is defined as original work, papers, notes and drafts prepared by the Contractor to support the data and conclusions in final reports, and includes completed questionnaires, materials in electronic data processing form, computer programs, other printed materials, pamphlets, maps, drawings and all data directly related to the services being rendered.

D. CERTIFICATION AND LICENSING

Contractor agrees to obtain all licenses, certifications and permits from Federal, State and Local authorities permitting it to carry on its activities under this contract.

E. PROGRAM SERVICES

Definitions of service, eligibility of recipients of service and other limitations in this contract are subject to modification by amendments to Federal, State and Local laws, regulations and program requirements without further notice to the Contractor hereunder.

F. CHILD PROTECTIVE SERVICE LAWS

In the event that the contract calls for services to minors, the contractor shall comply with the provisions of the Child Protective Services Law (Act of November 26, 1975, P.L. 438, No. 124; 23 P.S. SS 6301-6384, as amended by Act of July 1, 1985, P.L. 124, No. 33) and all regulations promulgated thereunder (55Pa. Code, chapter 3490).

G. PRO-CHILDREN ACT OF 1994

The Contractor agrees to comply with the requirements of the Pro-Children Act of 1994; Public Law 103-277, Part C-Environment Tobacco Smoke (also known as the Pro-Children Act of 1994) requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health care services, day care and education to children under the age of 18, if the services are funded by Federal programs whether directly or through State and Local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees and contracts. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug and alcohol treatment.

H. MEDICARE/MEDICAID REIMBURSEMENT

1. To the extent that services are furnished by contractors, subcontractors, or organizations related to the contractor/subcontractor and such services may in whole or in part be claimed by the Commonwealth for Medicare/Medicaid reimbursements, contractor/subcontractor agrees to comply with 42 C.F.R., Part 420, including:
 - a. Preservation of books, documents and records until the expiration of four (4) years after the services are furnished under the contract.
 - b. Full and free access to (i) the Commonwealth, (ii) the U.S. Comptroller General, (iii) the U.S. Department of Health and Human Services, and their authorized representatives.
2. Your signature on the proposal certifies under penalty of law that you have not been suspended/terminated from the Medicare/Medicaid Program and will notify the contracting DHS Facility or DHS Program Office immediately should a suspension/termination occur during the contract period.

I. TRAVEL AND PER DIEM EXPENSES

Contractor shall not be allowed or paid travel or per diem expenses except as provided for in Contractor's Budget and included in the contract amount. Contractors should anticipate work related travel for meetings, trainings and visits to providers or families. Any reimbursement to the Contractor for travel, lodging or meals under this contract shall be at or below state rates as provided in Management Directive 230.10, Commonwealth Travel Policy, as may be amended, unless the Contractor has higher rates which have been established by its offices/officials, and published prior to entering into this contract. Higher rates must be supported by a copy of the minutes or other official documents, and submitted to the Department. Documentation in support of travel and per diem expenses will be the same as required of state employees.

J. INSURANCE

1. The contractor shall accept full responsibility for the payment of premiums for Workers' Compensation, Unemployment Compensation, Social Security, and all income tax deductions required by law for its employees who are performing services under this contract. As required by law, an independent contractor is responsible for Malpractice Insurance for health care personnel. Contractor shall provide insurance Policy Number and Provider's Name, or a copy of the policy with all renewals for the entire contract period.
2. The contractor shall, at its expense, procure and maintain during the term of the contract, the following types of insurance, issued by companies acceptable to the Department and authorized to conduct such business under the laws of the Commonwealth of Pennsylvania:

- a. Worker's Compensation Insurance for all of the Contractor's employees and those of any subcontractor, engaged in work at the site of the project as required by law.
- b. Public liability and property damage insurance to protect the Commonwealth, the Contractor, and any and all subcontractors from claim for damages for personal injury (including bodily injury), sickness or disease, accidental death and damage to property, including loss of use resulting from any property damage, which may arise from the activities performed under this contract or the failure to perform under this contract whether such performance or nonperformance be by the contractor, by any subcontractor, or by anyone directly or indirectly employed by either. The limits of such insurance shall be in an amount not less than \$500,000 each person and \$2,000,000 each occurrence, personal injury and property damage combined. Such policies shall be occurrence rather than claims-made policies and shall name the Commonwealth of Pennsylvania as an additional insured. The insurance shall not contain any endorsements or any other form designated to limit or restrict any action by the Commonwealth, as an additional insured, against the insurance coverage in regard to work performed for the Commonwealth.

Prior to commencement of the work under the contract and during the term of the contract, the Contractor shall provide the Department with current certificates of insurance. These certificates shall contain a provision that the coverages afforded under the policies will not be cancelled or changed until at least thirty (30) days' written notice has been given to the Department.

K. PROPERTY AND SUPPLIES

1. Contractor agrees to obtain all supplies and equipment for use in the performance of this contract at the lowest practicable cost and to purchase by means of competitive bidding whenever required by law.
2. Title to all property furnished in-kind by the Department shall remain with the Department.
3. Contractor has title to all personal property acquired by the contractor, including purchase by lease/purchase agreement, for which the contractor is to be reimbursed under this contract. Upon cancellation or termination of this contract, disposition of such purchased personal property which has a remaining useful life shall be made in accordance with the following provisions.
 - a. The contractor and the Department may agree to transfer any item of such purchased property to another contractor designated by the Department. Cost of transportation shall be born by the contractor receiving the property and will be reimbursed by the Department. Title to all transferred property shall vest in the designated contractor. The Department will reimburse the Contractor for its share, if any, of the value of the remaining life of the property in the same manner as provided under subclause b of this paragraph.
 - b. If the contractor wishes to retain any items of such purchased property, depreciation tables shall be used to ascertain the value of the remaining useful life of the property. The contractor shall reimburse the Department in the amount determined from the tables.

- c. When authorized by the Department in writing, the contractor may sell the property and reimburse the Department for its share. The Department reserves the right to fix the minimum sale price it will accept.
4. All property furnished by the Department or personal property acquired by the contractor, including purchase by lease-purchase contract, for which the contractor is to be reimbursed under this contract shall be deemed "Department Property" for the purposes of subsection 5, 6 and 7 of this section.
5. Contractor shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, preservation and insurance of Department Property so as to assure its full availability and usefulness.
6. Department property shall, unless otherwise approved in writing by the Department, be used only for the performance of this contract.
7. In the event that the contractor is indemnified, reimbursed or otherwise compensated for any loss, destruction or damage to Department Property, it shall use the proceeds to replace, repair or renovate the property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall reimburse the Department, at the Department's direction.

L. DISASTERS

If, during the terms of this contract, the Commonwealth's premises are so damaged by flood, fire or other Acts of God as to render them unfit for use; then the Agency shall be under no liability or obligation to the contractor hereunder during the period of time there is no need for the services provided by the contractor except to render compensation which the contractor was entitled to under this agreement prior to such damage.

M. SUSPENSION OR DEBARMENT

In the event of suspension or debarment, 4 Pa Code Chapter 60.1 through 60.7, as it may be amended, shall apply.

N. COVENANT AGAINST CONTINGENT FEES

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

O. CONTRACTOR'S CONFLICT OF INTEREST

The contractor hereby assures that it presently has not interest and will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The contractor further assures that in the performance of this contract, it will not knowingly employ any person having such interest. Contractor hereby certifies that no member of the Board of the contractor or any of its officers or directors has such an adverse interest.

P. INTEREST OF THE COMMONWEALTH AND OTHERS

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

Q. CONTRACTOR RESPONSIBILITY TO EMPLOY WELFARE CLIENTS

(Applicable to contracts \$25,000 or more)

1. The contractor, within 10 days of receiving the notice to proceed, must contact the Department of Human Services' Contractor Partnership Program (CPP) to present, for review and approval, the contractor's plan for recruiting and hiring recipients currently receiving cash assistance. If the contract was not procured via Request for Proposal (RFP); such plan must be submitted on Form PA-778. The plan must identify a specified number (not percentage) of hires to be made under this contract. If no employment opportunities arise as a result of this contract, the contractor must identify other employment opportunities available within the organization that are not a result of this contract. The entire completed plan (Form PA-778) must be submitted to the Bureau of Employment and Training Programs (BETP): Attention CPP Division. (Note: Do not keep the pink copy of Form PA-778). The approved plan will become a part of the contract.
2. The contractor's CPP approved recruiting and hiring plan shall be maintained throughout the term of the contract and through any renewal or extension of the contract. Any proposed change must be submitted to the CPP Division which will make a recommendation to the Contracting Officer regarding course of action. If a contract is assigned to another contractor, the new contractor must maintain the CPP recruiting and hiring plan of the original contract.
3. The contractor, within 10 days of receiving the notice to proceed, must register in the Commonwealth Workforce Development System (CWDS). In order to register the selected contractor must provide business, location and contact details by creating an Employer Business Folder for review and approval, within CWDS at <https://www.cwds.state.pa.us>. Upon CPP review and approval of Form PA-778 and the Employer Business Folder in CWDS, the Contractor will receive written notice (via the pink Contractor's copy of Form PA-778) that the plan has been approved.
4. Hiring under the approved plan will be monitored and verified by Quarterly Employment Reports (Form PA-1540); submitted by the contractor to the Central Office of Employment and Training – CPP Division. A copy of the submitted Form PA-1540 must also be submitted (by the contractor) to the DHS Contract Monitor (i.e. Contract Officer). The reports must be submitted on the DHS Form PA- 1540. The form may not be revised, altered, or re-created.
5. If the contractor is non-compliant, CPP Division will contact the Contract Monitor to request corrective action. The Department may cancel this contract upon thirty (30) days written notice in the event of the contractor's failure to implement or abide by the approved plan.

R. TUBERCULOSIS CONTROL

As recommended by the Centers for Disease Control and the Occupational Safety and Health Administration, effective August 9, 1996, in all State Mental Health and Mental Retardation Facilities, all full-time and part-time employees (temporary and permanent), including contract service providers, having direct patient contact or providing service in patient care areas, are to be tested serially with PPD by Mantoux skin tests. PPD testing will be provided free of charge from the state MH/MR facility. If the contract service provider has written proof of a PPD by Mantoux method within the last six months, the MH/MR facility will accept this documentation in lieu of administration of a repeat test. In addition, documented results of a PPD by Mantoux method will be accepted by the MH/MR facility. In the event that a contractor is unwilling to submit to the test due to previous positive reading, allergy to PPD material or refusal, the risk assessment questionnaire must be completed. If a contractor refuses to be tested in accordance with this new policy, the facility will not be able to contract with this provider and will need to procure the services from another source.

S. ACT 13 APPLICATION TO CONTRACTOR

Contractor shall be required to submit with their bid information obtained within the preceding one-year period for any personnel who will have or may have direct contact with residents from the facility or unsupervised access to their personal living quarters in accordance with the following:

1. Pursuant to 18 Pa.C.S. Ch. 91(relating to criminal history record information) a report of criminal history information from the Pennsylvania State Police or a statement from the State Police that their central repository contains no such information relating to that person. The criminal history record information shall be limited to that which is disseminated pursuant to 18 Pa.C.S. 9121(b)(2) (relating to general regulations).
2. Where the applicant is not, and for the two years immediately preceding the date of application has not been a resident of this Commonwealth, the Department shall require the applicant to submit with the application a report of Federal criminal history record information pursuant to the Federal Bureau of Investigation's under Department of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1973 (Public Law 92-544, 86 Stat. 1109). For the purpose of this paragraph, the applicant shall submit a full set of fingerprints to the State Police, which shall forward them to the Federal Bureau of Investigation for a national criminal history check. The information obtained from the criminal record check shall be used by the Department to determine the applicant's eligibility. The Department shall insure confidentiality of the information.
3. The Pennsylvania State Police may charge the applicant a fee of not more than \$10 to conduct the criminal record check required under subsection 1. The State Police may charge a fee of not more than the established charge by the Federal Bureau of Investigation for the criminal history record check required under subsection 2.

The Contractor shall apply for clearance using the State Police Background Check (SP4164) at their own expense. The forms are available from any State Police Substation. When the State Police Criminal History Background Report is received, it must be forwarded to the Department. State Police Criminal History Background Reports not received within sixty (60) days may result in cancellation of the contract.

T. LOBBYING CERTIFICATION AND DISCLOSURE (applicable to contracts \$100,000 or more)

Commonwealth agencies will not contract with outside firms or individuals to perform lobbying services, regardless of the source of funds. With respect to an award of a federal contract, grant, or cooperative agreement exceeding \$100,000 or an award of a federal loan or a commitment providing for the United States to

insure or guarantee a loan exceeding \$150,000 all recipients must certify that they will not use federal funds for lobbying and must disclose the use of non-federal funds for lobbying by filing required documentation. The contractor will be required to complete and return a “Lobbying Certification Form” and a “Disclosure of Lobbying Activities form” with their signed contract, which forms will be made attachments to the contract.

U. AUDIT CLAUSE (applicable to contracts \$100,000 or more)

This contract is subject to audit in accordance with the Audit Clause attached hereto and incorporated herein.

ENHANCED MINIMUM WAGE PROVISIONS

- 1. Enhanced Minimum Wage.** Contractor/Lessor agrees to pay no less than \$10.15 per hour to its employees for all hours worked directly performing the services called for in this Contract/Lease, and for an employee's hours performing ancillary services necessary for the performance of the contracted services or lease when such employee spends at least twenty per cent (20%) of their time performing ancillary services in a given work week.
- 2. Adjustment.** Beginning January 1, 2017, and annually thereafter, Contractor/Lessor shall pay its employees described in Paragraph 1. above an amount that is no less than the amount previously in effect; increased from such amount by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States city average, all items, not seasonally adjusted), or its successor publication as determined by the United States Bureau of Labor Statistics; and rounded to the nearest multiple of \$0.05. The applicable adjusted amount shall be published in the Pennsylvania Bulletin by March 1 of each year to be effective the following July 1.
- 3. Exceptions.** These Enhanced Minimum Wage Provisions shall not apply to employees:
 - b. exempt from the minimum wage under the Minimum Wage Act of 1968;
 - c. covered by a collective bargaining agreement;
 - d. required to be paid a higher wage under another state or federal law governing the services, including the Prevailing Wage Act and Davis-Bacon Act; or
 - e. required to be paid a higher wage under any state or local policy or ordinance.
- 4. Notice.** Contractor/Lessor shall post these Enhanced Minimum Wage Provisions for the entire period of the contract conspicuously in easily-accessible and well-lighted places customarily frequented by employees at or near where the contracted services are performed.
- 5. Records.** Contractor/Lessor must maintain and, upon request and within the time periods requested by the Commonwealth, furnish all employment and wage records necessary to document compliance with these Enhanced Minimum Wage Provisions.
- 6. Sanctions.** Failure to comply with these Enhanced Minimum Wage Provisions may result in the imposition of sanctions, which may include, but shall not be limited to, termination of the contract or lease, nonpayment, debarment or referral to the Office of General Counsel for appropriate civil or criminal referral.
- 7. Subcontractors.** Contractor/Lessor shall include the provisions of these Enhanced Minimum Wage Provisions in every subcontract so that these provisions will be binding upon each subcontractor.

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

The Commonwealth of Pennsylvania, Department of Human Services (DHS), distributes federal and state funds to local governments, non-profit, and for-profit organizations. Federal expenditures are subject to federal audit requirements, and federal and state funding passed through DHS are subject to DHS audit requirements. If any federal statute specifically prescribes policies or specific requirements that differ from the standards provided herein, the provisions of the subsequent statute shall govern. The DHS provides the following audit requirements in accordance with the Commonwealth of Pennsylvania, Governor's Office, Management Directive 325.9, as amended December 23, 2014.

Sub recipient means a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A sub recipient may also be a recipient of other federal awards received directly from a federal awarding agency. For purposes of this audit clause, a sub recipient **is not** a contractor that receives a procurement contract to provide goods or services that are required to provide the administrative support to carry out a federal program.

A. Federal Audit Requirements – Local Governments and Nonprofit Organizations

A local government and nonprofit organization must comply with all federal audit requirements, including: The Single Audit Act Amendments of 1996; 2 CFR Part 200 as amended; and any other applicable law or regulation, as well as any other applicable law or regulation that may be enacted or promulgated by the federal government.

For years beginning on or after December 26, 2014, a local government or nonprofit organization that expends federal awards of \$750,000 or more during its fiscal year, received either directly from the federal government, indirectly from a pass-through entity, or a combination of both, to carry out a federal program, **is required** to have an audit made in accordance with the provisions outlined in 2 CFR Part 200.501. Please note that for periods prior to this, the threshold is still \$500,000.

If a local government or nonprofit organization expends **total federal awards of less than \$750,000** during its fiscal year, it is exempt from these **federal** audit requirements, but is required to maintain auditable records of federal or state funds that supplement such awards. Records must be available for review by appropriate officials. **Although an audit may not be necessary under the federal requirements, DHS audit requirements may be applicable.**

B. Department of Human Services Audit Requirements

A local government or nonprofit provider must meet the DHS audit requirements.

Where a Single Audit or program-specific audit is conducted in accordance with the federal audit requirements detailed above, such an audit will be accepted by the DHS provided that:

1. A full copy of the audit report is submitted as detailed below; **and**
2. The sub recipient shall ensure that the audit requirements are met for the terms of this contract; i.e., the prescribed Agreed-Upon Procedures (AUP) Report(s) and applicable schedule requirement(s). The incremental cost for preparation of the AUP Report(s) and the schedule cannot be charged to the federal funding stream.

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

The local government or nonprofit organization must comply with all federal and state audit requirements including: the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards contained at 2 CFR 200 and any other applicable law or regulation and any amendment to such other applicable law or regulation which may be enacted or promulgated by the federal government. **In the absence of a federally required audit**, the entity is responsible for the following annual audit requirements, which are based upon the program year specified in this agreement.

Organizations that **expend \$750,000 or more in combined state and federal funds, but less than \$750,000 in federal funds**, during the program year are required to have an audit of those funds made in accordance with generally accepted *Government Auditing Standards* (The Yellow Book), revised, as published by the Comptroller General of the United States. Where such an audit is not required to meet the federal requirements, the costs related to DHS audit requirements may not be charged to federal funding streams.

If in connection with the agreement, a local government or nonprofit organization **expends \$500,000 or more in combined state and federal funds, but less than \$750,000 in combined state and federal funds**, during the program year, the sub recipient shall ensure that, for the term of the contract, an independent auditor conducts annual examinations of its compliance with the terms and conditions of this contract. These examinations shall be conducted in accordance with the American Institute of Certified Public Accountants' Statements on Standards for Attestation Engagements, No. 10, Compliance Attestation (SSAE 10), and shall be of a scope acceptable to the DHS. The initial compliance attestation shall be completed for the program year specified in the contract and conducted annually thereafter. The incremental cost for preparation of the SSAE 10 report cannot be charged to federal funding streams.

The sub recipient shall submit the compliance attestation reports (if applicable) to the DHS within 90 days after the program year has been completed. When the compliance attestation reports are other than unqualified, the sub recipient shall submit to the DHS, in addition to the compliance attestation reports, a plan describing what actions the sub recipient will implement to correct the situation that caused the auditor to issue other than an unqualified report, a timetable for implementing the planned corrective actions, and a process for monitoring compliance with the timetable and a contact person who is responsible for the resolution of the situation

If the sub recipient enters into an agreement with a subcontractor(s) for the performance of any primary contractual duties, the audit requirements are applicable to the subcontractor(s) with whom the sub recipient has entered into an agreement. Consequently, the audit requirements should be incorporated into the sub-contractual document as entered by the sub recipient.

A local government or nonprofit entity that **expends less than \$500,000 combined state and federal funds** during the program year is exempt from DHS audit requirements, but is required to maintain auditable records for each contract year. Records must be available for review by appropriate officials of the DHS or a pass-through entity.

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A – SUBRECIPIENT

Local Governments and Nonprofit Organizations

GENERAL AUDIT PROVISIONS

A local government or nonprofit organization is responsible for obtaining the necessary audit and securing the services of an independent, licensed certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

The Commonwealth reserves the right for federal and state agencies, or their authorized representatives, to perform additional audits of a financial and/or performance nature, if deemed necessary by Commonwealth or federal agencies. Any such additional audit work may rely on the work already performed by the sub recipient's auditor, and the costs for any additional work performed by the federal or state agency will be borne by those agencies at no additional expense to the sub recipient.

If it is decided that an audit of this contract will be performed, the sub recipient will be given advance notice. The sub recipient shall maintain books, records, and documents that support the services provided, that the fees earned are in accordance with the contract, and that the sub recipient has complied with the contract terms and conditions. The sub recipient agrees to make available, upon reasonable notice, at the office of the sub recipient, during normal business hours, for the term of this contract and the retention period set forth in this Audit Clause, any of the books, records, and documents for inspection, audit, or reproduction by any state or federal agency or its authorized representative.

The sub recipient shall preserve all books, records, and documents related to this contract for a period of time that is the greater of five years from the contract expiration date, until all questioned costs or activities have been resolved to the satisfaction of the Commonwealth, or as required by applicable federal laws and regulations, whichever is longer. If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any resulting final settlement.

Audit documentation and audit reports must be retained by the sub recipient's independent auditor for a minimum of five years from the date of issuance of the audit report, unless the sub recipient's auditor is notified in writing by the Commonwealth or the cognizant or oversight federal agency to extend the retention period. Audit documentation must be made available upon request to authorized representatives of the Commonwealth, the cognizant or oversight agency, the federal funding agency, or the Government Accountability Office.

Records that relate to litigation of the settlement of claims arising out of performance or expenditures under this contract to which exception has been taken by the auditors shall be retained by the sub recipient or provided to the Commonwealth at the DHS' option until such litigation, claim, or exceptions have reached final disposition.

Except for documentary evidence delivered pursuant to litigation or the settlement of claims arising out of the performance of the contract, the sub recipient may, in fulfillment of its obligation to retain records as required by this Audit Clause, substitute photographs, microphotographs, or other authentic reproductions of such records after the expiration of two years following the last day of the month of reimbursement to the contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Commonwealth.

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

SUBMISSION OF AUDIT REPORTS TO THE COMMONWEALTH

A. Federally Required Audit Reports

For years beginning prior to December 26, 2014: submit an electronic copy of federally required audit reports to the Commonwealth, which shall include:

1. Auditor's reports

- a. Independent auditor's report on the financial statements, which expresses an opinion on whether the financial statements are presented fairly in all material respects in conformity with the stated basis of accounting.
- b. Independent auditor's report on the supplementary Schedule of Expenditures of Federal Awards (SEFA), which should express an opinion on whether the SEFA is fairly stated in all material respects in relation to the sub recipient's basic financial statements taken as a whole. This report can be combined with the independent auditor's report on the basic financial statements or may appear separately in the auditor-submitted document.
- c. Report on internal control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
- d. Report on compliance and internal control over compliance applicable to each major program in accordance with OMB Circular A-133.
- e. Schedule of findings and questioned costs.

2. Financial statements and notes thereto

3. SEFA and notes thereto

4. Summary schedule of prior audit findings

5. Corrective action plan (if applicable)

6. Data collection form

7. Management letter (if applicable)

In instances where a federal program-specific audit guide is available, the audit report package for a program-specific audit may be different and should be prepared in accordance with the audit guide and OMB Circular A-133.

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

Instructions and information regarding submission of the single audit/program-specific audit reporting package are available to the public on the Single Audit Submissions page of the Office of the Budget website (<http://www.budget.state.pa.us>). The reporting package must be submitted electronically in single Portable Document Format (PDF) file to RA-BOASingleAudit@pa.gov.

Steps for submission:

1. Complete the Single Audit/Program Specific Audit Reporting Package Checklist available on the Single Audit Submissions page of the Office of the Budget website (<http://www.budget.state.pa.us>). The Single Audit/Program Specific Audit Reporting Package Checklist ensures the sub recipient's reporting package contains all required elements.
2. Upload the completed Single Audit/Program-Specific Audit Reporting Package along with the Single Audit/Program Specific Audit Reporting Package Checklist in a single PDF file in an e-mail addressed to RA-BOASingleAudit@pa.gov. In the subject line of the e-mail the sub recipient must identify the exact name on the Single Audit/Program-Specific Audit Reporting Package and the period end date to which the reporting package applies.

The sub recipient will receive an email to confirm the receipt of the Single Audit/Program-Specific Audit Reporting Package, including the completed Single Audit/Program Specific Audit Reporting Package Checklist.

For years beginning on or after December 26, 2014: submit an electronic copy of the audit report package to the Federal Audit Clearinghouse, which shall include the elements outlined in 2 CFR Part 200, Subpart F – Audit Requirements (Subpart F).

In addition, the sub recipient must send a copy of the confirmation from the Federal Audit Clearinghouse to the resource account RA-BOASingleAudit@pa.gov.

B. DHS Required Audit Reports and Additional Submission by Sub recipients

1. Independent Accountant's Report on Applying Agreed-Upon Procedures – which consist of the following procedures for the funding provided by this agreement for the contract year ending within the entity's fiscal year end under audit:
 - (a) Verify by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DHS for fiscal year ended {CONTRACT YEAR END}, have been accurately compiled, and reflect the audited books and records of (Auditee). Also verify by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail that directly mirrors the budget page (Rider 3) of the contract. The Schedule of Revenues and Expenditures should mirror the line items on the budget pages of the contract and include a budget and an actual expenditure column pertaining to this period.

Program Name/ Contract Number Referenced Schedule/Exhibit

(List each individual schedule for all contracts in which the auditee participated.)

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

- (b) Inquire of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports submitted to DHS for the period in question.
- (c) Based on the procedures detailed in paragraphs (a) and (b) above, disclose any adjustments and/or findings and identify which have (have not) been reflected on the corresponding schedules.

(List each separately. Indicate whether it has/has not been reflected on the schedule.)

2. Independent Accountant's Report on Applying Agreed-Upon Procedures – which consist of the following procedures for the entity's fiscal year end under audit. All Local Governments and Nonprofit Organizations who are submitting a single audit in accordance with 2 CFR Part 200, Subpart F are also required to include in their single audit reporting package a supplemental schedule, which is to be subjected to an Agreed-Upon Procedures engagement. The schedule, for which an example is included in this audit clause as Enclosure I, is a reconciliation of the expenditures listed on the Schedule of Expenditures of Federal Awards (SEFA) to the Federal award income received from the Pennsylvania Department of Human Services (DHS), as noted in the revenue audit confirmation received from the Commonwealth of Pennsylvania. The procedures to be performed on the reconciliation schedule are as follows:

- (a) Agree the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards (SEFA).
- (b) Agree the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column to the sub recipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
- (c) Recalculate the amounts listed under the "Difference" column.
- (d) Agree the amounts listed under the "Difference" column to the audited books and records of the Provider.
- (e) Agree the "Detailed Explanation of the Differences" to the audited books and records of the Provider.
- (f) Based on the procedures detailed in paragraphs (a) through (e) above, disclose any adjustments and/or findings which have not been reflected on the corresponding schedules (List each separately.).

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

PERIOD SUBJECT TO AUDIT

A federally required audit, conducted in accordance with Subpart F, encompasses the fiscal period of the provider. **Therefore, the period of the federally required audit may differ from the official reporting period as specified in this agreement.** Where these periods differ, the required supplemental schedule(s) of Revenues and Expenditures and the related Independent Accountant's Report on Applying Agreed-Upon Procedures must be completed for the official annual reporting period of this agreement that ended during the period under audit and shall accompany the federally required audit.

CORRECTIVE ACTION PLAN

The provider shall prepare a corrective action plan (CAP) to address all findings of noncompliance, internal control weaknesses, and/or reportable conditions disclosed in the audit report. For each finding noted, the CAP should include: (1) a brief description identifying the findings; (2) whether the provider agrees with the finding; (3) the specific steps taken or to be taken to correct the deficiency or specific reasons why corrective action is not necessary; (4) a timetable for completion of the corrective action steps; (5) a description of monitoring to be performed to ensure that the steps are taken; and (6) the responsible party for the CAP.

REMEDIES FOR NONCOMPLIANCE

The provider's failure to provide an acceptable audit, in accordance with the requirements of the Audit Clause Requirements, may result in the DHS' not accepting the report and initiating sanctions against the provider that may include the following:

- Disallowing the cost of the audit.
- Withholding a percentage of the contract funding pending compliance.
- Withholding or disallowing administrative costs.
- Suspending subsequent contract funding pending compliance.

TECHNICAL ASSISTANCE

Technical assistance on the DHS' audit requirements and the integration of those requirements with the federal Single Audit requirements will be provided by:

Department of Human Services
Bureau of Financial Operations
Division of Audit and Review
Audit Resolution Section
1st Floor, Forum Place
555 Walnut Street
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675
Email: RA-pwauditresolution@pa.gov

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A – SUBRECIPIENT
Local Governments and Nonprofit Organizations
ENCLOSURE I

Entity Name
Year Ended {ORGANIZATION'S FINANCIAL STATEMENT DATE}

SUPPLEMENTAL SCHEDULE

RECONCILIATION

Federal Awards Passed through the Pennsylvania Department of Human Services
Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply

<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures per the SEFA</u>	<u>Federal Awards Received per the audit confirmation reply from Pennsylvania</u>	<u>Difference</u>	<u>Detailed Explanation of the Differences</u>
		\$	\$	\$	

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE B – SUBRECIPIENT For-Profit Organizations

The Commonwealth of Pennsylvania, Department of Human Services (DHS), distributes federal and state funds to local governments, nonprofit, and for-profit organizations. Federal expenditures are subject to federal audit requirements, and federal and state funding passed through DHS are subject to DHS audit requirements. If any federal statute specifically prescribes policies or specific requirements that differ from the standards provided herein, the provisions of the subsequent statute shall govern. The DHS provides the following audit requirements in accordance with the Commonwealth of Pennsylvania, Governor's Office, Management Directive 325.9, as amended December 23, 2014.

Subrecipient means an entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards received directly from a federal awarding agency. For purposes of this audit clause, a subrecipient **is not** a contractor that receives a procurement contract to provide goods or services that are required to provide the administrative support to carry out a federal program.

A. Federal Audit Requirements – For-Profit Organizations

The for-profit organization must comply with all federal and state audit requirements including: The Single Audit Act Amendments of 1996; 2 CFR Part 200 as amended; and any other applicable law or regulation, as well as any other applicable law or regulation that may be enacted or promulgated by the federal government.

For years beginning on or after December 26, 2014, a for-profit organization **is required** to have an audit if it expends a total of \$750,000 or more in federal funds under one or more Department of Health and Human Services (DHHS) federal awards. Title 45, CFR 75.501(i) incorporates the thresholds and deadlines of 2 CFR Part 200 as amended, and provides for-profit organizations with two options regarding the type of audit that will satisfy the audit requirements:

1. A financial audit conducted in accordance with generally accepted *Government Auditing Standards* (The Yellow Book), revised; or
2. An audit that meets the requirements contained in 2 CFR Part 200.

If a for-profit organization expends **total federal awards of less than \$750,000** during its fiscal year, it is exempt from these **federal** audit requirements, but is required to maintain auditable records of federal or state funds that supplement such awards. Records must be available for review by appropriate officials. **Although an audit may not be necessary under the federal requirements, DHS audit requirements may be applicable.**

SUBRECIPEINT / CONTRACTOR AUDITS

AUDIT CLAUSE B – SUBRECIPIENT For-Profit Organizations

B. Department of Human Services Audit Requirements

A for-profit provider must meet the DHS audit requirements.

Where a Single Audit or program-specific audit is conducted in accordance with the federal audit requirements detailed above, such an audit will be accepted by the DHS provided that:

1. A full copy of the audit report is submitted as detailed below; **and**
2. The subrecipient shall ensure that the audit requirements are met for the terms of this contract; i.e., the prescribed Agreed-Upon Procedures (AUP) Report(s) and applicable schedule requirement(s). The incremental cost for preparation of the AUP Report(s) and the schedule cannot be charged to federal funding streams.

In the absence of a federally required audit, the entity is responsible for the following annual audit requirements, which are based upon the program year specified in this agreement.

If in connection with the agreement, a for-profit organization **expends \$500,000 or more in combined state and federal funds, but less than \$750,000 in federal funds**, during the program year, the subrecipient shall ensure that, for the term of the contract, an independent auditor conducts annual examinations of its compliance with the terms and conditions of this contract. These examinations shall be conducted in accordance with the American Institute of Certified Public Accountants' Statements on Standards for Attestation Engagements, No. 10, Compliance Attestation (SSAE 10), and shall be of a scope acceptable to the DHS. The initial compliance attestation shall be completed for the program year specified in the contract and conducted annually thereafter. The incremental cost for preparation of the SSAE 10 report cannot be charged to federal funding streams.

The subrecipient shall submit the compliance attestation reports (if applicable) to the DHS within 90 days after the program year has been completed. When the compliance attestation reports are other than unqualified, the subrecipient shall submit to the DHS, in addition to the compliance attestation reports, a plan describing what actions the subrecipient will implement to correct the situation that caused the auditor to issue other than an unqualified report, a timetable for implementing the planned corrective actions, and a process for monitoring compliance with the timetable and a contact person who is responsible for the resolution of the situation.

If the subrecipient enters into an agreement with a subcontractor(s) for performance of any primary contractual duties, the audit requirements are applicable to the subcontractor(s) with whom the subrecipient has entered into an agreement. Consequently, the audit requirements should be incorporated into the sub-contractual document as entered by the subrecipient.

A for-profit entity that **expends less than \$500,000 combined state and federal funds** during the program year is exempt from DHS audit requirements, but is required to maintain auditable records for each contract year. Records must be available for review by appropriate officials of the DHS or a pass-through entity.

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE B – SUBRECIPIENT For-Profit Organizations

GENERAL AUDIT PROVISIONS

A for-profit organization is responsible for obtaining the necessary audit and securing the services of an independent, licensed certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

The Commonwealth reserves the right for state and federal agencies, or their authorized representatives, to perform financial and/or performance audits if deemed necessary by the Commonwealth or federal agencies. Any such additional audit work may rely on the work already performed by the subrecipient's auditor, and the costs for any additional work performed by the federal or state agency will be borne by those agencies at no additional expense to the subrecipient.

If it is decided that an audit of this contract will be performed, the subrecipient will be given advance notice. The subrecipient shall maintain books, records, and documents that support the services provided, that the fees earned are in accordance with the contract, and that the subrecipient has complied with the contract terms and conditions. The subrecipient agrees to make available, upon reasonable notice, at the office of the subrecipient, during normal business hours, for the term of this contract and the retention period set forth in this Audit Clause, any of the books, records, and documents for inspection, audit, or reproduction by any state or federal agency or its authorized representative.

The subrecipient shall maintain books, records, and documents related to this contract for a period of five years from the contract expiration date, until all questioned costs or activities have been resolved to the satisfaction of the Commonwealth, or as required by applicable federal laws and regulations, whichever is longer. Any records that support the services provided, that the fees earned are in accordance with the contract, and that the subrecipient has complied with contract terms and conditions must be maintained.

Audit documentation and audit reports must be retained by the subrecipient's independent auditor for a minimum of five years from the date of issuance of the audit report, unless the subrecipient's auditor is notified in writing by the Commonwealth or the cognizant or oversight federal agency to extend the retention period. Audit documentation must be made available upon request to authorized representatives of the Commonwealth, the cognizant or oversight agency, the federal funding agency, or the Government Accountability Office.

Records that relate to litigation of the settlement of claims arising out of performance or expenditures under this contract to which exception has been taken by the auditors shall be retained by the subrecipient or provided to the Commonwealth at the DHS' option until such litigation, claim, or exceptions have reached final disposition.

Except for documentary evidence delivered pursuant to litigation or the settlement of claims arising out of the performance of the contract, the subrecipient may, in fulfillment of its obligation to retain records as required by this Audit Clause, substitute photographs, microphotographs, or other authentic reproductions of such records after the expiration of two years following the last day of the month of reimbursement to the contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Commonwealth.

SUBRECIPEINT / CONTRACTOR AUDITS

AUDIT CLAUSE B – SUBRECIPIENT For-Profit Organizations

SUBMISSION OF AUDIT REPORT TO THE COMMONWEALTH

A. Federally Required Audit Reports

For years beginning prior to December 26, 2014: Submit an electronic copy of federally required audit reports to the Commonwealth, which shall include:

1. Auditor's reports (The reports will vary depending on whether it is an audit that meets the requirements contained in OMB Circular A-133, or a financial audit conducted in accordance with generally accepted Government Auditing Standards (The Yellow Book), revised)
 - a. Independent auditor's report on the financial statements, which expresses an opinion on whether the financial statements are presented fairly in all material respects in conformity with the stated basis of accounting.
 - b. Independent auditor's report on the supplementary Schedule of Expenditures of Federal Awards (SEFA), which should express an opinion on whether the SEFA is fairly stated in all material respects in relation to the subrecipient's basic financial statements taken as a whole. This report can be combined with the independent auditor's report on the basic financial statements or may appear separately in the auditor-submitted document.
 - c. Report on internal control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
 - d. Report on compliance and internal control over compliance applicable to each major program in accordance with OMB Circular A-133.
 - e. Schedule of findings and questioned costs.
2. Financial statements and notes thereto
3. SEFA and notes thereto (only for an audit that meets the requirements contained in OMB Circular A-133)
4. Summary schedule of prior audit findings
5. Corrective action plan (if applicable)
6. Management letter (if applicable)

In instances where a federal program-specific audit guide is available, the audit report package for a program-specific audit may be different and should be prepared in accordance with the audit guide and OMB Circular A-133.

Instructions and information regarding submission of the single audit/program-specific audit reporting package are available to the public on the Single Audit Submissions page of the Office of the Budget website (<http://www.budget.state.pa.us>). The reporting package must be submitted electronically in single Portable Document Format (PDF) file to RA-BOASingleAudit@pa.gov.

SUBRECIPEINT / CONTRACTOR AUDITS

SUBRECIPIENT AUDIT CLAUSE B For-Profit Organization

Steps for submission:

1. Complete the Single Audit/Program Specific Audit Reporting Package Checklist available on the Single Audit Submissions page of the Office of the Budget website (<http://www.budget.state.pa.us>). The Single Audit/Program Specific Audit Reporting Package Checklist ensures the subrecipient's reporting package contains all required elements.
2. Upload the completed Single Audit/Program-Specific Audit Reporting Package along with the Single Audit/Program Specific Audit Reporting Package Checklist in a single PDF file in an e-mail addressed to RA-BOASingleAudit@pa.gov. In the subject line of the e-mail the subrecipient must identify the exact name on the Single Audit/Program-Specific Audit Reporting Package and the period end date to which the reporting package applies.

The subrecipient will receive an email to confirm the receipt of the Single Audit/Program-Specific Audit Reporting Package, including the completed Single Audit/Program Specific Audit Reporting Package Checklist.

For years beginning on or after December 26, 2014: submit an electronic copy of the audit report package to the Federal Audit Clearinghouse, which shall include the elements outlined in 2 CFR Part 200, Subpart F – Audit Requirements (Subpart F).

In addition, the subrecipient must send a copy of the confirmation from the Federal Audit Clearinghouse to the resource account RA-BOASingleAudit@pa.gov.

B. DHS Required Audit Reports and Additional Submission by Subrecipients

1. Independent Accountant's Report on Applying Agreed-Upon Procedures – which consist of the following procedures for the funding provided by this agreement for the contract year ending within the entity's fiscal year end under audit:
 - (a) Verify by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DHS for fiscal year ended {CONTRACT YEAR END}, have been accurately compiled and reflect the audited books and records of (Auditee). Also verify by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail that directly mirrors the budget page (Rider 3) of the contract. The Schedule of Revenues and Expenditures should mirror the line items on the budget pages of the contract and include a budget and an actual expenditure column pertaining to this period.

Program Name/ Contract Number Referenced Schedule/Exhibit

(List each individual schedule for all contracts in which the auditee participated.)

- (b) Inquire of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports submitted to DHS for the period in question.

SUBRECIPIENT / CONTRACTOR AUDITS

SUBRECIPIENT AUDIT CLAUSE B For-Profit Organization

- (c) Based on the procedures detailed in paragraphs (a) and (b) above, disclose any adjustments and/or findings and identify which have (have not) been reflected on the corresponding schedules.

(List each separately. Indicate whether it has/has not been reflected on the schedule.)

2. Independent Accountant's Report on Applying Agreed-Upon Procedures – which consist of the following procedures for the entity's fiscal year end under audit. All For-Profit Organizations who are submitting a single audit in accordance with Title 45, CFR 75.501(i) are also required to include in their single audit reporting package a supplemental schedule, which is to be subjected to an Agreed-Upon Procedures engagement. The schedule, for which an example is included in this audit clause as Enclosure I, is a reconciliation of the expenditures listed on the Schedule of Expenditures of Federal Awards (SEFA) to the Federal award income received from the Pennsylvania Department of Human Services (DHS), as noted in the revenue audit confirmation received from the Commonwealth of Pennsylvania. The procedures to be performed on the reconciliation schedule are as follows:

- (a) Agree the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards (SEFA).
- (b) Agree the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column to the subrecipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
- (c) Recalculate the amounts listed under the "Difference" column.
- (d) Agree the amounts listed under the "Difference" column to the audited books and records of the Provider.
- (e) Agree the "Detailed Explanation of the Differences" to the audited books and records of the Provider.
- (f) Based on the procedures detailed in paragraphs (a) through (e) above, disclose any adjustments and/or findings which have not been reflected on the corresponding schedules (List each separately.).

SUBRECIPEINT / CONTRACTOR AUDITS

SUBRECIPIENT AUDIT CLAUSE B For-Profit Organization

PERIOD SUBJECT TO AUDIT

A federally required audit, conducted in accordance with Subpart F, or Title 45, CFR 75.501(i), as appropriate, encompasses the fiscal period of the auditee. **Therefore, the period of the federally required audit may differ from the official reporting period as specified in this agreement.** Where these periods differ, the required supplemental schedule(s) of Revenues and Expenditures and the related Independent Accountant's Report on Applying Agreed-Upon Procedures must be completed for the official annual reporting period of this agreement that ended during the period under audit and shall accompany the federally required audit.

CORRECTIVE ACTION PLAN

The provider shall prepare a corrective action plan (CAP) to address all findings of noncompliance, internal control weaknesses, and/or reportable conditions disclosed in the audit report. For each finding noted, the CAP should include: (1) a brief description identifying the findings; (2) whether the auditee agrees with the finding; (3) the specific steps taken or to be taken to correct the deficiency or specific reasons why corrective action is not necessary; (4) a timetable for completion of the corrective action steps; (5) a description of monitoring to be performed to ensure that the steps are taken; and (6) the responsible party for the CAP.

REMEDIES FOR NONCOMPLIANCE

The provider's failure to provide an acceptable audit, in accordance with the requirements of the Audit Clause Requirements, may result in the DHS' not accepting the report and initiating sanctions against the Provider that may include the following:

- Disallowing the cost of the audit.
- Withholding a percentage of the contract funding pending compliance.
- Withholding or disallowing administrative costs.
- Suspending subsequent contract funding pending compliance.

TECHNICAL ASSISTANCE

Technical assistance on the DHS' audit requirements and the integration of those requirements with the federal Single Audit requirements will be provided by:

Department of Human Services
Bureau of Financial Operations
Division of Audit and Review
Audit Resolution Section
1st Floor, Forum Place
555 Walnut Street
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675
Email: RA-pwauditresolution@pa.gov

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE B – SUBRECIPIENT
For-Profit Organizations
ENCLOSURE I

Entity Name
Year Ended {ORGANIZATION'S FINANCIAL STATEMENT DATE}

SUPPLEMENTAL SCHEDULE

RECONCILIATION

Federal Awards Passed through the Pennsylvania Department of Human Services
Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply

<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures per the SEFA</u>	<u>Federal Awards Received per the audit confirmation reply from Pennsylvania</u>	<u>Difference</u>	<u>Detailed Explanation of the Differences</u>
		\$	\$	\$	

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE D – CONTRACTOR

The Commonwealth of Pennsylvania, Department of Human Services (DHS), distributes federal and state funds to local governments, nonprofit, and for-profit organizations. Federal expenditures are subject to federal audit requirements, and federal funding and state funding passed through DHS are subject to DHS audit requirements. If any federal statute specifically prescribes policies or specific requirements that differ from the standards provided herein, the provisions of the subsequent statute shall govern.

Contractor means a dealer, distributor, merchant, or other seller providing goods or services to an auditee that are required for the **administrative support** of a program. These goods or services may be for an organization's own use or for the use of beneficiaries of the federal program. The contractor's responsibility is to meet the requirements of the procurement contract.

Department of Human Services Audit Requirement

If in connection with the agreement, an entity **expends \$500,000 or more in combined state and federal funds** during the program year, the entity shall ensure that, for the term of the contract, an independent auditor conducts annual examinations of its compliance with the terms and conditions of this contract. These examinations shall be conducted in accordance with the American Institute of Certified Public Accountants' Statements on Standards for Attestation Engagements No. 10, Compliance Attestation (SSAE 10), and shall be of a scope acceptable to the DHS. The initial compliance examination shall be completed for the official annual reporting period of this agreement and conducted annually thereafter.

The Commonwealth reserves the right for state and federal agencies, or their authorized representatives, to perform financial and performance audits if deemed necessary. If it is decided that an audit of this contract will be performed, the contractor will be given advance notice. The contractor shall maintain books, records, and documents that support the services provided, that the fees earned are in accordance with the contract, and that the contractor has complied with contract terms and conditions. The contractor agrees to make available, upon reasonable notice, at the office of the contractor, during normal business hours, for the term of this contract and the retention period set forth in this Audit Clause, any of the books, records, and documents for inspection, audit, or reproduction by any state or federal agency or its authorized representative.

The contractor shall preserve all books, records, and documents related to this contract for a period of time that is the greater of five years from the contract expiration date, until all questioned costs or activities have been resolved to the satisfaction of the Commonwealth, or as required by applicable federal laws and regulations, whichever is longer. If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any resulting final settlement.

Records that relate to litigation or the settlement of claims arising out of performance or expenditures under this contract to which exception has been taken by the auditors, shall be retained by the contractor or provided to the Commonwealth at the DHS' option until such litigation, claim, or exceptions have reached final disposition.

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE D – CONTRACTOR

Except for documentary evidence delivered pursuant to litigation or the settlement of claims arising out of the performance of this contract, the contractor may, in fulfillment of his obligation to retain records as required by this Audit Clause, substitute photographs, microphotographs, or other authentic reproductions of such records, after the expiration of two years following the last day of the month of reimbursement to the contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Commonwealth

DHS Required Audit Report Submission

The contractor shall submit the SSAE 10 report to the DHS within 90 days after the required period of audit has ended. When the SSAE 10 report is other than unqualified, the contractor shall submit to the DHS, in addition to the audit report, a plan describing what actions the contractor will implement to correct the situation that caused the auditor to issue a qualified opinion, a timetable for implementing the planned corrective actions, and a process for monitoring compliance with the timetable.

Submit **two copies** of the DHS required audit report package.

1. Independent Accountant's Report – on the Attestation of an entity's compliance with specific requirements during a period of time in accordance with the contract and the appropriate schedule, as required.
2. Submit the audit report directly to the program office.

REMEDIES FOR NONCOMPLIANCE

The provider's failure to provide an acceptable audit, in accordance with the requirements of the Audit Clause Requirements, may result in the DHS' not accepting the report and initiating sanctions against the contractor that may include the following:

- Disallowing the cost of the audit.
- Withholding a percentage of the contract funding pending compliance.
- Suspending subsequent contract funding pending compliance.

TECHNICAL ASSISTANCE

Technical assistance on the DHS' audit requirements will be provided by:

Department of Human Services
Bureau of Financial Operations
Division of Audit and Review
Audit Resolution Section
1st Floor, Forum Place
555 Walnut Street
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675
Email: RA-pwauditresolution@pa.gov

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE D – CONTRACTOR ENCLOSURE I

The Department of Human Services (DHS) requires an Independent Accountant's Report on the Attestation to be in the format described by the American Institute of Certified Public Accountants (AICPA). The following is the form of report an Independent Accountant should use when expressing an opinion on an entity's compliance with specified requirements during a period of time. For further guidance, refer to the AICPA Professional Standards.

Independent Accountant's Report

[Introductory Paragraph]

We have examined [*name of entity*]'s compliance with [*list specific compliance requirement*] during the [*period*] ended [*date*]. Management is responsible for [*name of entity*]'s compliance with those requirements. Our responsibility is to express an opinion on [*name of entity*]'s compliance based on our examination.

[Scope Paragraph]

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about [*name of entity*]'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on [*name of entity*]'s compliance with specified requirements.

[Opinion Paragraph]

In our opinion, [*name of entity*] complied, in all material respects, with the aforementioned requirements for the year ended December 31, 20XX.

[DATE]

[SIGNATURE]