

COPY – I.D

Contract #

4000026288

PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
Bureau of Procurement and Contract Management

CONTRACT

Laboratory and Phlebotomy Services

IFB #6100055985

Associated Clinical Laboratories

1526 Peach Street

Erie, PA 16501-2110

Kathy.m.veith@questdiagnostics.com

Pamela.A.McDonald@questdiagnostics.com

150438

OMHSAS/ Warren State Hospital

Dr. Cheryl Moore or Carin Giannini

cherylmoor@pa.gov/ cgiannini@pa.gov

(814) 726-4392 or (814) 726-4441

For Program Office/Facility Use Only

Are multiple agreements of this type expected? Yes No

If yes, avoid multiple rejections by submitting one agreement and using BPCM's feedback to improve the remaining agreements.

Clinical Laboratory Services

This Contract is by and between the Commonwealth of Pennsylvania, Department of Human Services, Warren State Hospital, hereinafter referred to as the “Department” or “DHS”, and Associated Clinical Laboratories, hereinafter referred to as “Contractor” or “Vendor”.

WITNESSETH:

WHEREAS, DHS identified a need for Clinical Laboratory Services for the Office of Mental Health & Substance Abuse Services/Warren State Hospital;

WHEREAS, DHS issued Invitation for Bid number 6100055985 on 6/9/2022, in part, for the purpose of soliciting bids from qualified entities to provide Clinical Laboratory Services;

WHEREAS, the Invitation For Bid consists of Invitation For Bid number 6100055985, and all appendices, attachments, addendums and other documents associated with the procurement and posted by the Department (these documents are collectively referred to as the “IFB”);

WHEREAS, a response to IFB 6100055985 was received from the Contractor on or before 6/24/2022; and

WHEREAS, DHS determined the Contractor to be the lowest responsive and responsible bidder.

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises set forth in this Contract, the parties intending to be legally bound, hereby agree as follows:

1. Term of Contract. The term of this Contract will commence on the Effective Date as defined in Attachment 1 IFB and Attachment 3 Terms and Conditions and will remain in effect for a period of Five (5) Years. The Effective Date shall be fixed by DHS after the Contract has been fully executed by the Contractor and by DHS and all approvals required by Commonwealth contracting procedures have been obtained.
2. Services. Contractor shall perform the services in conformity with this Contract, including its Riders and Attachments. The Riders and Attachments listed below are hereby incorporated and made a part of this Contract:

Rider 1	Contractor Submittal #6500142985
Rider 2	MA Rate Certification Form
Attachment 1	IFB 6100055985
Attachment 2	Statement of Work
Attachment 3	Terms and Conditions
Attachment 4	DHS Addendum, which includes Audit Clause D
Attachment 5	Business Associate Addendum

3. Compensation. Subject to the availability of state and federal funds and the terms and conditions of this Contract, the Department will make payment to the Contractor for work performed under this Contract in accordance with Rider 1, Rider 2, and Attachment 2. The Department will pay for services based on the Medical Assistance Fee Schedule Rate plus 50.00%.

4. Consultation. Contractor shall consult with and keep DHS fully informed as to the progress of all matters covered by this Contract.

[Signature page follows]

Document No.: 4000026288

SAP Vendor No.: 150438

Document Type: Funds Commitment Contract

IN WITNESS WHEREOF, the parties hereto have caused this Contract Agreement to be executed by its duly authorized officials.

CONTRACTOR

Steph Ingram CFO 6-16-22
Signature / Title Date
PRINT OR TYPE NAME AND TITLE

Signature / Title Date
PRINT OR TYPE NAME AND TITLE

COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES

DEPUTY SIGNATURE

SECRETARY OR DESIGNEE

N/A

Signature Date

Ally Wullbrandt Digitally signed by Ally Wullbrandt
Date: 2022.07.25 16:15:41 -04'00'

Signature Date

COMPTROLLER OPERATIONS

Signature Date

Approved as to Legality and Form:

Lara Antonuk Digitally signed by Lara Antonuk
Date: 2022.08.05 14:39:35 -04'00'

OFFICE OF GENERAL COUNSEL
DEPARTMENT OF
HUMAN SERVICES

DEPUTY ATTORNEY GENERAL
OFFICE OF ATTORNEY GENERAL

DEPUTY GENERAL COUNSEL
OFFICE OF GENERAL COUNSEL

RIDER 1



Page 1 of 6

ORIGINAL
QUOT - Invitation For Bid
OMHSAS WSH 8500 Clinical Lab Srvs 2022

QUOT Effective Date:

Bid Number:

06/09/2022

6500142985

Issuing Office:

Merry Mitchell
 Commonwealth of Pennsylvania
 US

Supplier Name/Address:

ASSOCIATED CLINICAL LABORATORIES
 AN AFFILIATE OF QUEST DIAGNOSTICS
 1526 PEACH ST
 ERIE PA 16501-2110 US
 Telephone # 814-461-2412 Fax #
 Email: Kathy.m.veith@questdiagnostics.com
 Your SAP Vendor Number with us: 150438

Please Return Quotation to:

Commonwealth of Pennsylvania
 US

Type of Security furnished if required:

- Certified bank cashier's check
- Irrevocable letter of credit
- Certificate of deposit
- Other as specified by bid
- Bond - If annual bond:
 What is the name of the principal on the bond?

Return Bid by:

Bid Endng Date:
 06/24/2022

Bid Endng Time:
 14:00:00

Expiration Date of Contract (if applicable)

Delivery Date:
 See Items

Please Deliver To:

DHS Warren State Hospital
 33 Main Drive
 North Warren PA 16365 US

Procurement Contact:

Buyer: Merry Mitchell
 Phone:
 Fax:

This Invitation For Bids is comprised of: Part I, General Information; Part II, Bid Requirements; Part III, Criteria For Selection; Part IV, IFB Specifications; Part V, Contract Clauses; any documents attached to this Invitation For Bids or incorporated by reference; and any addenda issued by the Issuing Office prior to Bid Opening.

Supplier's Signature _____ Title _____
 Printed Name _____ Date _____

The Bidder has completed and submitted this Bid in accordance with the instructions and requirements and terms and conditions of the Invitation For Bid. The Bidder has attached documents that are required to be submitted with this Bid and those attachments are incorporated by reference and made a part of this Bid. The Bidder, intending to be legally bound hereby, offers and agrees, if this Bid is accepted, to provide the awarded items at the price(s) set forth in this Bid at the time(s) and place(s) specified.

Item	Material/Service Desc	Qty	UOM	Unit Price	Per	Total Line Item Price
1	Clinical Laboratory Services WSH	750,000.000	Each	1.00	1	750,000.00

ALL PRICES ARE F.O.B. DESTINATIONS

List of Items Continued on Following Page



Supplier Name:
 ASSOCIATED CLINICAL LABORATORIES
 AN AFFILIATE OF QUEST DIAGNOSTICS

Item	Material/Service Desc	Qty	UOM	Unit Price	Per	Total Line Item Price
	<p>Item Text</p> <p>Clinical Laboratory Services Warren State Hospital</p> <p>The contractor is required to submit the attached MA Rate Acceptance Certification, which also identifies the optional percentage rate you will be requesting if you choose to add a percentage. Please enter your plus% rate on the MA Rate Certification Form. If you choose not to add a percentage, please enter 0% on the MA Rate Certification Form.</p> <p>DHS will make an all-inclusive payment for all compensable services using the contract rates, which will be based on Commonwealth of PA Medical Assistance Fee Schedule in effect at the time of the service, plus _____ % (bidder inserts rate on MA Rate Certification form). Bidders must bid based on the MA Fee Schedule rates.</p> <p>For purposes of the electronic submission, all responders should bid \$1.00 on this line as this is an estimated spend amount for MA rate services. Invoice prices will be based off the MA Rate Certification Form filled out.</p> <p>Quantity shows the full five years.</p>					

Total bid amount >>>>>>>>>>>>>>>>>>>>>>

750,000.00

ALL PRICES ARE F.O.B. DESTINATIONS



Supplier Name:
ASSOCIATED CLINICAL LABORATORIES
AN AFFILIATE OF QUEST DIAGNOSTICS

General Requirements for all Items:

Header Text

The Department of Human Services (DHS), Office of Mental Health and Substance Abuse Services (OMHSAS) is seeking contractors to supply Clinical Laboratory Services and Phlebotomy Services to Warren State Hospital ("WSH"), as described in the attached Statement of Work.

Quantities/dollar amounts listed are estimates and may increase or decrease based on the needs of the facility.

DHS will award one contract for laboratory services to the lowest responsible and responsive bidder, based off of the MA Rate Certification/Discount Form submitted with your bid response.

Bids are due 6/24/2022 by 2:00 PM and must be submitted electronically. Late bids will be disqualified. Contractors must enter firm prices for all contracted years and provide appropriate responses to all "Mandatory Attributes" contained in the solicitation. Failure to submit bid as described may result in yours being rejected as a non-responsive bidder.

The awarded bidder will invoice based on the published Medical Assistance (MA) Fee Schedule rate applicable at the time of services are rendered plus/minus a percentage (optional) for the contract. If a test is not compensable under the MA Program, the Contractor shall invoice using the applicable Medicare Rate.

The contractor is to provide Clinical Laboratory Services at Medical Assistance (Medicaid) rates plus ___% of facility gross charges. The fee schedule can be found at:
<https://www.humanservices.state.pa.us/OUTPATIENTFEESCHEDULE/Search>

The contractor is required to submit a MA Rate Acceptance Certification, which also identifies the percentage (optional) you will be requesting if you choose to add a percentage.

Quantity on the bid is an estimated five year dollar amount. Supplier bids should be bid \$1.00 each as the unit price on line of service. Please enter your plus% rate on the MA Rate Certification form. If you choose not to add a percentage, please enter 0% on the MA Rate Certification Form. Invoice prices will be based off the MA Rate Certification Form filled out.

"All references to a "Purchase Order" in the terms and conditions or within the Solicitation documentation shall be substituted with either the term Contract, or the phrase "formal written notice to proceed" as appropriate or vice versa. This electronic Invitation For Bid will result in a paper contract as a Funds Commitment.

The contractor agrees to comply with CMS standards relating to their services performed on this contract.

The term of this contract is anticipated to begin September 1, 2022 (or date of full approval/effective date) and end Five Years later.

Questions regarding bidding on this solicitation: Merry Mitchell, AO3, RA-PWBIDQUESTIONS@pa.gov

Bid Attachments:

ATTRIBUTES PAGES TO FOLLOW

Total of Items
on Previous Page



Supplier Name:
ASSOCIATED CLINICAL LABORATORIES
AN AFFILIATE OF QUEST DIAGNOSTICS

1. Statement of Work
2. Terms and Conditions
3. DHS Addendum
4. Audit Clause D
5. Business Associate Addendum (HIPAA)

Contractors' electronic submission must include the following as attachments. Failure to submit these items may result in the rejection of the Contractor's submission:

1. MA Rate Certification Form
2. Lobbying Certification Form
3. Workers Protection Form
4. Iran Free Certification Form
5. Vendor's Point of Contact Information supplied on Statement of Work. The bidder shall designate a person who shall be familiar with the contract, if awarded, and authorized to act on the bidder's behalf in resolving any issues relating to the contract and who shall be available to the facility during regular business hours.
6. Signed Signature Page that will be made part of the attached draft Agreement

ONLY ELECTRONIC BID RESPONSES WILL BE ACCEPTED FOR SUBMISSION.# All bidders are responsible for monitoring the DGS emarketplace website to view any change notices to this IFB.# The change notices shall become incorporated as part of this bid.# In order to submit your Bid Response, interested vendors must be registered.# To register, obtain a vendor number and to allow for submission of an online bid, please visit www.pasupplierportal.state.pa.us

You may refer to the SRM Bidding Reference Guide on the Supplier Service Center for bidding instruction or contact the helpdesk at (877) 435-7363, choose option 2.

****Posting Addendum 1 to upload correct SOW attachment****

Posting Addendum 2 to correct the due date of the IFB from 6/21/22 to 6/24/22 no later than 2:00 PM.



Supplier Name:
ASSOCIATED CLINICAL LABORATORIES
AN AFFILIATE OF QUEST DIAGNOSTICS

Bidder Remarks (Header)

- o Most routine tests (excluding Specimens for Microbiology/Parasitology/ Mycology / Mycobacteriology testing) will report within 24 hours from time of collection. Associated Clinical Laboratories cannot guarantee a TAT of 24 hours for all Routine Laboratory tests.
 - o Client services will phone Warren State Hospital within 2 hours of the critical result test reporting.
 - o STAT Testing, performed at ACL, and listed as a STAT eligible test, will report within 4 hours of receipt in the lab.
 - o The Facility has the option to request a client specific call value for analytes. Warren State does have a specific call value for lithium levels of values 1.2 meq/L or greater (as well as other analytes). ACL will call lithium carbonate blood levels if ordered STAT, or if the results fall within the call value requested.
 - o Associated Clinical Laboratories does not provide STAT courier service to Warren State Hospital. If the specimen is collected by Warren Staff, the facility will need to make arrangements to transport the specimen to the testing Laboratory.
 - o The facility can request creation of a "special profile" and if it is in accordance with Associated Clinical Laboratories Compliance policy and the appropriate documents are completed/signed, the profile can be created for the use of the facility.
- ACL no longer provides copies of service manuals. Test handling instructions are found at www.questdiagnostics.com/healthcare-professionals/test-directory.
- Facility will arrange pick up of specimens ordered at times other than regularly scheduled pickups.
 - Phlebotomist will monitor refrigerator temperatures for any refrigerator used by or provided by Contractor on each business day they are scheduled to be present at the facility.
 - The request for an annual report (CMS or DOH required) would need to be reviewed by QA/Compliance prior to release of requested information. Depending on the report, there may be a charge to the facility.

*** No further information for this bid ***



Supplier Name:
[ASSOCIATED CLINICAL LABORATORIES](#)
[AN AFFILIATE OF QUEST DIAGNOSTICS](#)

***** Attributes Page *****

Mandatory QUESTION #02 - Is the offer in accordance with the "Representations and Authorizations" listed in section "Submission – 001.1" of the attached solicitation document?

Response: Y

Mandatory QUESTION #01 - Has the submitter read, and does the submitter understand, the "Representations and Authorizations" listed in section "Submission – 001.1" of the attached solicitation document?

Response: Y

RIDER 2



MA RATE CERTIFICATION FORM

I, **Stephen Ingram**, hereby certify that I am **Controller**
(Individual's Name) (Title)

for, and that I am authorized to make this Certification on behalf of

Associated Clinical Laboratories is bidding
(Contractor's Name)

at **MA Rates plus a percentage, which is optional = 50 %**. If you choose **not** to add a percentage, please write a "0" in that area.

I understand that any misrepresentation in this Certification shall be punishable under Section 4904 of Title 18 P.C.S.A.

Stephen Ingram
(Signature of Certifying Officer)

Associated Clinical Laboratories
(Contractor's Name)

Stephen Ingram
(Print name of Certifying Officer)

1526 Peach Street
(Contractor's Address)

CFO
(Title of Certifying Officer)

Erie, PA 16501
(City, State, Zip)

6-16-22
(Date)

ATTACHMENT 1



ORIGINAL
BID - Invitation For Bid
OMHSAS WSH 8500 Clinical Lab Srvs 2022

BID Effective Date:

06/09/2022

Bid Invitation Number:

6100055985

Issuing Office:

Merry Mitchell
 Commonwealth of Pennsylvania
 US

Supplier Name/Address:

Your SAP Vendor Number with us: _____

Please Return Quotation to:

Commonwealth of Pennsylvania
 US

Type of Security furnished if required:

- Certified bank cashier's check
- Irrevocable letter of credit
- Certificate of deposit
- Other as specified by bid
- Bond - If annual bond:

What is the name of the principal on the bond?

Return Bid by:

Bid Ending Date:
06/24/2022

Bid Ending Time:
14:00:00

Expiration Date of Contract (if applicable)

Delivery Date:
See Items

Please Deliver To:

DHS Warren State Hospital
 33 Main Drive
 North Warren PA 16365 US

Procurement Contact:

Buyer: Merry Mitchell
 Phone:
 Fax:

This Invitation For Bids is comprised of: Part I, General Information; Part II, Bid Requirements; Part III, Criteria For Selection; Part IV, IFB Specifications; Part V, Contract Clauses; any documents attached to this Invitation For Bids or incorporated by reference; and any addenda issued by the Issuing Office prior to Bid Opening.

Supplier's Signature _____ Title _____

Printed Name _____ Date _____

The Bidder has completed and submitted this Bid in accordance with the instructions and requirements and terms and conditions of the Invitation For Bid. The Bidder has attached documents that are required to be submitted with this Bid and those attachments are incorporated by reference and made a part of this Bid. The Bidder, intending to be legally bound hereby, offers and agrees, if this Bid is accepted, to provide the awarded items at the price(s) set forth in this Bid at the time(s) and place(s) specified.

Item	Material/Service Desc	Qty	UOM	Unit Price	Total Line Item Price
1	Clinical Laboratory Services WSH	750,000.000	Each	\$	\$

ALL PRICES ARE F.O.B. DESTINATIONS

List of Items Continued on Following Page



Supplier Name: _____

Item	Material/Service Desc	Qty	UOM	Unit Price	Total Line Item Price
	<p>Item Text Clinical Laboratory Services Warren State Hospital</p> <p>The contractor is required to submit the attached MA Rate Acceptance Certification, which also identifies the optional percentage rate you will be requesting if you choose to add a percentage. Please enter your plus% rate on the MA Rate Certification Form. If you choose not to add a percentage, please enter 0% on the MA Rate Certification Form.</p> <p>DHS will make an all-inclusive payment for all compensable services using the contract rates, which will be based on Commonwealth of PA Medical Assistance Fee Schedule in effect at the time of the service, plus _____% (bidder inserts rate on MA Rate Certification form). Bidders must bid based on the MA Fee Schedule rates.</p> <p>For purposes of the electronic submission, all responders should bid \$1.00 on this line as this is an estimated spend amount for MA rate services. Invoice prices will be based off the MA Rate Certification Form filled out.</p> <p>Quantity shows the full five years.</p>				

ALL PRICES ARE F.O.B. DESTINATIONS

List of Items Continued on Following Page



Supplier Name: _____

General Requirements for all Items:

Header Text

The Department of Human Services (DHS), Office of Mental Health and Substance Abuse Services (OMHSAS) is seeking contractors to supply Clinical Laboratory Services and Phlebotomy Services to Warren State Hospital ("WSH"), as described in the attached Statement of Work.

Quantities/dollar amounts listed are estimates and may increase or decrease based on the needs of the facility.

DHS will award one contract for laboratory services to the lowest responsible and responsive bidder, based off of the MA Rate Certification/Discount Form submitted with your bid response.

Bids are due 6/24/2022 by 2:00 PM and must be submitted electronically. Late bids will be disqualified. Contractors must enter firm prices for all contracted years and provide appropriate responses to all "Mandatory Attributes" contained in the solicitation. Failure to submit bid as described may result in yours being rejected as a non-responsive bidder.

The awarded bidder will invoice based on the published Medical Assistance (MA) Fee Schedule rate applicable at the time of services are rendered plus/minus a percentage (optional) for the contract. If a test is not compensable under the MA Program, the Contractor shall invoice using the applicable Medicare Rate.

The contractor is to provide Clinical Laboratory Services at Medical Assistance (Medicaid) rates plus % of facility gross charges. The fee schedule can be found at:
<https://www.humanservices.state.pa.us/OUTPATIENTFEESCHEDULE/Search>

The contractor is required to submit a MA Rate Acceptance Certification, which also identifies the percentage (optional) you will be requesting if you choose to add a percentage.

Quantity on the bid is an estimated five year dollar amount. Supplier bids should be bid \$1.00 each as the unit price on line of service. Please enter your plus% rate on the MA Rate Certification form. If you choose not to add a percentage, please enter 0% on the MA Rate Certification Form. Invoice prices will be based off the MA Rate Certification Form filled out.

"All references to a "Purchase Order" in the terms and conditions or within the Solicitation documentation shall be substituted with either the term Contract, or the phrase "formal written notice to proceed" as appropriate or vice versa. This electronic Invitation For Bid will result in a paper contract as a Funds Commitment.

The contractor agrees to comply with CMS standards relating to their services performed on this contract.

The term of this contract is anticipated to begin September 1, 2022 (or date of full approval/effective date) and end Five Years later.

Questions regarding bidding on this solicitation: Merry Mitchell, AO3, RA-PWBIDQUESTIONS@pa.gov

Bid Attachments:

ALL PRICES ARE F.O.B. DESTINATIONS

List of Items Continued on Following Page



Supplier Name: _____

1. Statement of Work
2. Terms and Conditions

3. DHS Addendum
4. Audit Clause D
5. Business Associate Addendum (HIPAA)

Contractors' electronic submission must include the following as attachments. Failure to submit these items may result in the rejection of the Contractor's submission:

1. MA Rate Certification Form
2. Lobbying Certification Form
3. Workers Protection Form
4. Iran Free Certification Form
5. Vendor's Point of Contact Information supplied on Statement of Work. The bidder shall designate a person who shall be familiar with the contract, if awarded, and authorized to act on the bidder's behalf in resolving any issues relating to the contract and who shall be available to the facility during regular business hours.
6. Signed Signature Page that will be made part of the attached draft Agreement

ONLY ELECTRONIC BID RESPONSES WILL BE ACCEPTED FOR SUBMISSION.# All bidders are responsible for monitoring the DGS emarketplace website to view any change notices to this IFB.# The change notices shall become incorporated as part of this bid.# In order to submit your Bid Response, interested vendors must be registered.# To register, obtain a vendor number and to allow for submission of an online bid, please visit www.pasupplierportal.state.pa.us

You may refer to the SRM Bidding Reference Guide on the Supplier Service Center for bidding instruction or contact the helpdesk at (877) 435-7363, choose option 2.

****Posting Addendum 1 to upload correct SOW attachment****

Posting Addendum 2 to correct the due date of the IFB from 6/21/22 to 6/24/22 no later than 2:00 PM.

ALL PRICES ARE F.O.B. DESTINATIONS

List of Items Continued
on Following Page



ORIGINAL Page 6 of 6
BID - Invitation For Bid
OMHSAS WSH 8500 Clinical Lab Srvs 2022
Original Approval Date: 06/09/2022

Supplier Name: _____

***** Attributes Page *****

*** No further information for this bid ***

Mandatory QUESTION #02 - Is the offer in accordance with the "Representations and Authorizations" listed in section "Submission – 001.1" of the attached solicitation document?

Response:

Mandatory QUESTION #01 - Has the submitter read, and does the submitter understand, the "Representations and Authorizations" listed in section "Submission – 001.1" of the attached solicitation document?

Response:

SOLICITATION ADDENDUM

Date: **June 13, 2022**
Subject: OMHSAS WSH 8500 Clinical Lab Srvs 2022
Solicitation Number: **6100055985**
Due Date/Time: **6/24/2022 2:00 PM**
Addendum Number: **1**

To All Suppliers:

The Commonwealth of Pennsylvania defines a solicitation “Addendum” as an addition to or amendment of the original terms, conditions, specifications, or instructions of a procurement solicitation (e.g., Invitation for Bids or Request for Proposals, etc.).

Posting Addendum 1 to upload the Statement of Work, as the wrong attachment was posted for Statement of Work.

Type of Solicitation: Electronic Bid (SRM) - Review the Questions section of your solicitation response to ensure you have responded, as required, to any questions relevant to solicitation addenda issued subsequent to the initial advertisement of the solicitation opportunity.

Except as clarified and amended by this Addendum, the terms, conditions, specifications, and instructions of the solicitation and any previous solicitation addenda, remain as originally written.

Respectfully,

Name: **Merry Mitchell**

Title: AO3

Phone: 717-783-1083

Email: RA-pwBIDQUESTIONS@pa.gov

SOLICITATION ADDENDUM

Date: **June 22, 2022**
Subject: OMHSAS WSH 8500 Clinical Lab Srvs 2022
Solicitation Number: **6100055985**
Due Date/Time: **6/24/2022 2:00 PM**
Addendum Number: **2**

To All Suppliers:

The Commonwealth of Pennsylvania defines a solicitation “Addendum” as an addition to or amendment of the original terms, conditions, specifications, or instructions of a procurement solicitation (e.g., Invitation for Bids or Request for Proposals, etc.).

Posting Addendum 2 to correct the due date of the IFB from 6/21/22 to 6/24/22 no later than 2:00 PM.

Type of Solicitation: Electronic Bid (SRM) - Review the Questions section of your solicitation response to ensure you have responded, as required, to any questions relevant to solicitation addenda issued subsequent to the initial advertisement of the solicitation opportunity.

Except as clarified and amended by this Addendum, the terms, conditions, specifications, and instructions of the solicitation and any previous solicitation addenda, remain as originally written.

Respectfully,

Name: **Merry Mitchell**

Title: AO3

Phone: 717-783-1083

Email: RA-pwBIDQUESTIONS@pa.gov

ATTACHMENT 2

WORK STATEMENT CLINICAL LABORATORY SERVICES

General

The Department of Human Services (“DHS”), Office of Mental Health and Substance Abuse Services (“OMHSAS”) is seeking contractors to supply Clinical Laboratory and Phlebotomy Services to Warren State Hospital (“WSH”).

Contract Term

The anticipated term of this contract will be September 1, 2022, or upon final approval required for execution (“Effective Date”), whichever is later. The contract will end five years from the Effective Date of the contract.

Definitions

Clinical Laboratory Services - Clinical laboratory services consist of testing of a specimen removed from the human body for the purposes of determining or assessing a state of health. It may include both clinical and anatomical disciplines.

Critical Values - Critical values (also referred to as “panic” values) are test results that are so abnormal as to require immediate attention from a clinical services provider.

Health Level 7 (“HL7”) - HL7 specifies a number of flexible standards, guidelines, and methodologies by which various healthcare systems are able to communicate or interface with each other allowing information to be shared and processed in a uniform and consistent manner.

Phlebotomist - A phlebotomist is a technician who is trained in collecting biological specimens and is tasked with the responsibility of preserving the specimen and transporting them to a certified clinical laboratory. The phlebotomist must be and maintain certification as a phlebotomist.

Phlebotomist Services

The Contractor shall use trained experienced phlebotomists who do not have any communicable diseases, have proof of proficiency and are certified in accordance with College of American Pathologists (“CAP”) and Centers for Medicare & Medicaid Services (“CMS”) standards.

Upon request, the Contractor must provide WSH with proof of a phlebotomist’s experience, training, proficiency and certification.

The Contractor shall provide all appropriate equipment, supplies, and products for collection and transportation of clinical laboratory specimens, and appropriate forms to requisition tests.

The Contractor shall provide an adequate supply of collection tubes and culettes with current dating to meet the needs of WSH.

The Contractor shall provide, maintain and calibrate equipment for use in specimen collection and processing.

WSH will have an intermittent requirement for tissue testing, due to low testing volumes.

Requirements

On occasion, WSH may require the services of phlebotomists outside of the Facility's regular schedule with the Contractor which will be mutually decided between WSH and the Contractor. In such instances, the Facility will request phlebotomy services and the Contractor will provide a phlebotomist on site within four hours of a request.

Contractor must comply with all applicable federal and state law and requirements for the services, including Medicare and Medical Assistance requirements.

Contractor must provide services compliant with the Needle Stick Safety and Prevention Act of 2000, including the provision of phlebotomists with appropriate commercially available and effective safety medical devices to eliminate or minimize occupational exposure to blood borne pathogens.

Contractor shall provide WSH all required clinical laboratory services with strict adherence to the contract and WSH requirements.

Contractor must provide phlebotomists who are free of infection; this includes undergoing annual tuberculin testing or other evidence of being free of tuberculosis. The Contractor shall comply with the Guidelines for Preventing the Transmission of Mycobacterium tuberculosis in Health Care Settings, 2005, issued by the Centers for Disease Control and Prevention (CDC), as these guidelines may be updated. The guidelines are available at:

https://www.cdc.gov/mmwr/preview/mmwrhtml/rr5417a1.htm?s_cid=rr5417a1_e

If the phlebotomist has written proof of testing within the prior six months, the facility will accept this documentation in lieu of administration of a repeat test. If a phlebotomist is unwilling to submit to the test or has a history of a positive PPD test, the Contractor must complete the risk assessment questionnaire or provide another phlebotomist.

Phlebotomists must also be free of infectious diseases or exposed open wounds when performing venipuncture and handling specimen.

Contractor shall comply with confidentiality requirements for the Health Insurance Portability and Accountability Act ("HIPAA"), regulations and the Commonwealth of Pennsylvania Business Associate Addendum. Phlebotomists must be trained in the confidentiality requirements of HIPAA.

Phlebotomists must use a sheathed or retractable system or both for blood draw.

Phlebotomists must wear personal protective equipment (“PPE”) during the venipuncture and other collection procedures, including but not limited to gloves, which must be changed after each venipuncture and any other additional PPE required by WSH policy. If the PPE required by WSH is more than the Contractor’s PPE standards, WSH will provide the Phlebotomist with the additional PPE.

Phlebotomists must comply with industry hand washing standards, including washing hands before and after each procedure including phlebotomy. The phlebotomists may use antiseptic hand cleaners, towelettes or both if the phlebotomist is soiled during a procedure.

Contractor must provide phlebotomists with annual training in infection control measures such as hand washing, isolation, precautions, disease transmission, and standard precautions.

Phlebotomy Equipment

Contractor must provide, maintain and calibrate equipment for use in specimen collection and processing at each Facility; for example: centrifuges capable of accommodating six tubes per spin. Contractor shall meet the requirements of WSH for equipment to be used in various buildings and units, as directed by WSH. As the needs of WSH change, the Contractor must provide functional equipment for those needs.

Phlebotomy Duties: Contractor shall:

Perform all venipunctures for required laboratory tests.

Arrange for pickup of specimens ordered at times other than regularly scheduled pickups.

Maintain control of all laboratory supplies including culture materials with valid expiration dates.

Maintain all necessary records, work logs, and tracking logs.

On each business days for any refrigerator used by or provided by Contractor, including morgue refrigerators if present, monitor refrigerator temperatures.

Disinfect work surfaces between each patient and collection and at the completion of the procedure.

Clean up all blood spills with approved disinfectant.

On occasion and as necessary, the phlebotomist will need to draw the blood at the patient’s bedside on the ward.

Remove and dispose all wastes, including sharps, at the completion of the procedure in each building or area. Used sharps must be placed in a rigid and impervious container that is properly labeled and transported in a safe and sanitary manner, i.e., lids tightly closed.

Handle and transport all specimens in safe and sanitary manner and label all bags, containers and transport vehicles properly.

The phlebotomist shall prepare all samples drawn for pickup by the Contractor's courier as well as all routine microbiology, urine and occult blood specimens collected by WSH Staff. Specimens collected by WSH outside the time the phlebotomist is present, will be prepared for courier pickup by WSH Staff.

Tasks

Logistics – Testing, Handling, Transportation

Contractor shall provide a phlebotomist who shall draw samples on-site, Monday through Friday, between the hours of 6:45 A.M. – 10:00 A.M except for the following holidays:

- o New Year's Day
- o Martin Luther King Day
- o Presidents' Day
- o Memorial Day
- o Independence Day
- o Labor Day
- o Columbus Day
- o Veterans Day
- o Thanksgiving Day
- o Day After Thanksgiving
- o Christmas

Upon WSH request, Contractor shall provide an additional phlebotomist from 6:45 A.M. – 8:00 A.M. WSH will provide contractor with three days' notice of its need for the additional phlebotomist.

The Contractor shall comply with all Commonwealth and WSH policies and procedures, including any subsequent changes to those policies and procedures.

Contractor shall provide all laboratory test results to WSH through a web-based system. Contractor shall include date of report, consumer name, identification number, test name, test results, reference ranges, ordering physician, date and time of specimen collection, date of testing, and name and address of testing laboratory. Contractor shall transmit routine laboratory test results within 24 hours of collection. Contractor shall: 1) report cultures and Gram Stains and other smears as preliminary results become available (within 24-48 hours) and as final results become available (within 72 hours); and 2) report therapeutic drug levels that are completed at specialized laboratories or whose results require a prolonged period of testing when the results become available. Some Facilities may request results by fax or phone. Contractor shall provide a printed copy of all routine test results to the WSH within 24 hours after collection. WSH may request a "special profile" to be created by the Contractor to be used by the facility.

The Facility will inform Contractor of test priority when telephoning a request and will specify the test priority on the requisition form.

Contractor must telephone the WSH designee with test results that fall within Facility critical lab values within 30 minutes of obtaining test results. Contractor also shall transmit results within critical lab values through the web-based reporting tool immediately, if applicable. Contractor may transmit results within critical lab values immediately via fax. WSH will provide the Contractor with critical lab value list initially, on an annual basis and as revisions or changes are necessary.

WSH may order emergency laboratory tests 24 hours per day/seven days per week. An emergency lab test is one, which the physician orders and needs the results promptly. The Contractor must have a system in place for WSH to communicate the emergency lab test requests to Contractor. As with critical lab values, Contractor must provide by phone all results of emergency lab tests as soon as the results are confirmed. Contractor also must transmit results of emergency lab tests through its web-based reporting tool upon obtaining test results. Contractor may transmit emergency lab values via fax.

WSH will specify STAT tests at the time of its request. STAT testing, performed by the Contractor, and listed as a STAT eligible test, will report within two hours of receipt in the lab. Contractor will contact WSH designee by phone, within 30 minutes of the STAT test time of release when testing is performed by Contractor. STAT work may include but is not limited to: CBC, glucose, urinalysis, electrolytes, etc. Contractor shall phone results to the requesting DHS Facility as soon as they become available.

Contractor must provide by phone lithium carbonate blood levels as soon as available if requested by WSH.

Contractor must respond to requests for Emergency, STAT and Critical tests within four hours of request. The time requirement begins with the Contractor's receipt of the initial call from the DHS Facility and ends with the Contractor's arrival to the requesting DHS facility.

Contractor must provide 24/7 access to Customer Service support, which includes clinical and technical specialists.

The Contractor must make available by phone technical consultation such as discussion of test results, procedures, and indications during normal working hours of Monday through Friday, 8 AM to 4 PM.

Contractor must provide Special Profile Tests.

If WSH requests fax results, Contractor must send faxed results on standard 8 ½" x 11" sheets with left-hand margins of at least one inch. Contractor must provide results on a separate sheet for each consumer.

Upon notification of award, the Contractor shall provide WSH with two complete copies of service manuals, which include the laboratory test listings, methodology used, specimen required, the numerical values specifying the range of normal and abnormal results according to the methods used by the Contractor and interpretive guidelines. The Contractor must continually update this manual in order to keep the Medical Director informed of revisions in values, which may result from changes of methodology employed by the Contractor. Any testing limitations or special information concerning collection and transporting must also be included. As the manual is updated, the Contractor must provide the updated manual to the Facility.

DHS will notify the Contractor in writing of any unsatisfactory services rendered and the Contractor shall correct the deficiency immediately after such notification.

The Contractor shall keep verbal communication of results to a minimum to provide for accurate reporting.

Bacteriology Service (“Infectious Disease Services”) – Contractor shall provide culture media and materials with current expiration dates for performing bacteriology or microbiology studies as requested by WSH.

WSH may require testing for Facility staff as necessary as part of the facility’s response to any infectious disease outbreak. Testing for staff shall include screening of symptomatic and asymptomatic staff as part of a public health emergency including pandemics. If staff testing is required, WSH will coordinate the pick-up and drop-off of specimens as necessary when outside regular pick-up times. The Contractor must provide a separate secure web-based system for reporting and retrieval of staff lab reports. Contractor shall mail a paper copy of all lab reports of staff testing to the named employee at the WSH address.

Contractor shall provide COVID-19 (“RT-PCR”) testing and collection materials/transport devices as requested by WSH. Warren State Hospital will perform the collection of samples.

Contractor must provide customized requisition forms as designed by WSH to WSH.

Contractor shall provide WSH with technical consultation upon request of the Supervisory Physician and as necessary upon the request of WSH Medical Staff. The Contractor shall provide consultation with Board-certified Pathologists or other appropriately qualified medical or clinical personnel to respond to these requests for consultation. There shall be no additional charge for these consults.

Contractor must call all critical values as established by WSH Medical Staff, directly to the patient’s ward area. Contractor shall send hard copy of all critical values results as soon as possible after the results are called into WSH.

CALL ALWAYS. 4PM-8AM M-F:24 HOURS SAT/SUN/HOLIDAY CALL 8147235500 #1 FOR

Pick-up and Transportation

The Contractor shall provide all materials necessary for the appropriate collection and transport of specimens.

The Contractor shall provide WSH with procedure manuals, instructions, shipping materials, specimen collection kits, and any other materials as determined necessary by WSH and Contractor. Contractor must provide WSH with instructions for collecting, transporting, and shipping specimens in an instructional manual.

Contractor must perform at no costs to WSH all tests that cannot be processed, due to error in collection, processing or transporting by the Contractor.

WSH will make courier arrangements for specimens collected by WSH staff to the testing Laboratory.

WSH will make courier arrangements for STAT specimens collected by WSH staff to the testing Laboratory.

Contractor shall provide a courier for two pickups and transportation of specimens daily, Monday – Friday except for the eleven Commonwealth holidays described above. Contractor shall pickup specimens on a schedule agreed upon by the Contractor and WSH. The Contractor shall pick up specimens Saturday as needed.

Laboratory Qualifications and Responsibilities

The Contractor providing services must:

Be Clinical Laboratory Improvement Amendment Certified (“CLIA”).

Have a Clinical Laboratory Permit issued by the Pennsylvania Department of Health (“DOH”) Bureau of Laboratories and comply with DOH regulations for clinical laboratory services.

The Bidder should submit to WSH documentation of current licenses, certifications and accreditation and DOH permit status with its bid response and upon each renewal.

The Contractor’s Director of the Laboratory must possess a current license as a laboratory director issued by the Commonwealth of Pennsylvania and be certified by the American Board of Pathology or its equivalent. Bidders should submit a copy of the Director’s license and certification with its bid response.

Contractor may not subcontract more than 10% of the tests requested. Contractor shall provide a report to WSH on those tests that are subcontracted with the name of the lab doing the work. Contractor may subcontract only with laboratories that have CLIA certification and a DOH permit and are certified to perform the tests.

The Contractor shall provide the WSH Medical Director named in the Contract with quarterly Quality Assurance Reports at no charge.

Contractor must provide a consolidated computerized invoice that lists each test performed in the previous month for WSH.

The Contractor shall also receive training from WSH pertaining to procedures in dealing with the specific populations at the facility.

Reports

Annual Reporting

Upon request of WSH, the Contractor shall provide an annual report pertaining to all testing, as required by the CMS, or the DOH and any regulations that have been, or will be, implemented.

As may be applicable, the Contractor must provide Material Safety Data Sheets, as described in Pennsylvania Worker and Community Right to Know Act (Act 1984-159), to WSH on all products provided, furnished or stored on Facility grounds.

Bidding Instructions

All bids should be submitted electronically through the portal:
www.pasupplierportal.state.pa.us

Bidder's Contact Person: the bidder shall designate a person who shall be familiar with the contract, if awarded, and authorized to act on the bidder's behalf in resolving any issues relating to the contract and who shall be available to the facility during regular business hours. The bidder's contact person is:

Name **Pamela McDonald** Title **Physician Account Executive**

Telephone **814.440.2814** email **Pamela.A.McDonald@QuestDiagnostics.com**

Site Visit

Site visits are not mandatory.

Entering pricing on the Invitation for Bid

Quantity on the bid is an estimated yearly dollar amount. Awarded bidders will invoice based on the published Medical Assistance (MA) Fee Schedule rate applicable at the time of services are

rendered plus/minus a percentage (optional) for the contract. If a test is not compensable under the MA Program, the Contractor shall invoice using the applicable Medicare Rate. Bidders should enter \$1.00 on this line item, so that the “total” for this line item equals the estimated dollar amount times \$1.00.

The MA Fee Schedule can be found at:

<https://www.humanservices.state.pa.us/OUTPATIENTFEESCHEDULE/Search>

Payments to Contractor

The Contractor shall direct billing of Clinical Laboratory Services to consumers by strictly adhering to the following terms and order of payers.

- A. Clinical Laboratory Services provided to residents who are dually eligible for Medicare Part B and Medical Assistance will be directly billed in the following sequential order of payers as follows:
 - 1. Medicare.
 - 2. Supplemental Insurance (Medicare deductible/co-insurance only)
 - 3. Medical Assistance (Medicare deductible/co-insurance only)
 - 4. Facility

- B. Clinical Laboratory Services provided to residents who are eligible for Medicare Part B and not eligible for Medical Assistance will be directly billed in the following sequential order of payers as follows:
 - 1. Medicare
 - 2. Supplemental Insurance (Medicare deductible/co-insurance only)
 - 3. Facility.

- C. Clinical Laboratory services provided to residents who are eligible for Medicare Part A will be direct billed to the facility.

Contractor will be reimbursed only for services/materials actually accepted by WSH.

The Contractor will be reimbursed only for services actually accepted by the Commonwealth of Pennsylvania. At a minimum, Contractor must include the following information on its invoices:

- a. Contract Number
- b. Contractor’s Vendor Identification Number
- c. Date(s), location(s), and type(s) of service rendered
- d. Unit(s) and total prices
- e. Consumer ID Number
- f. Medical Assistance Procedure Code
- g. SAP Vendor Number (if applicable)

h. Facility's Gross charges amount

The invoice shall be submitted on the Contractor's letterhead. Invoices are also to be submitted monthly to (each applicable facility the contractor is serving:

Department of Human Services
Warren State Hospital
33 Main Drive, Center Building
Warren, PA 16365
Attn: Accounting Office
Phone: 814-726-4377

WSH Contract Monitor: Dr. Cheryl Moore
Supervisory Physician
Warren State Hospital
33 Main Drive
Warren, PA 16365
Phone: 814-726-4441
cherylmoor@pa.gov

ATTACHMENT 3

TERMS AND CONDITIONS – PAPER CONTRACT

1. TERM OF CONTRACT

The term of the Contract shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Contract, subject to the other provisions of the Contract. The Effective Date shall be fixed by the Contracting Officer after the Contract has been fully executed by the Contractor and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The Contract shall not be a legally binding contract until after the Effective Date is affixed and the fully-executed Contract has been sent to the Contractor. The Contracting Officer shall issue a written Notice to Proceed to the Contractor directing the Contractor to start performance on a date which is on or after the Effective Date. The Contractor shall not start the performance of any work prior to the date set forth in the Notice to Proceed and the Commonwealth shall not be liable to pay the Contractor for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No agency employee has the authority to verbally direct the commencement of any work under this Contract.

2. EXTENSION OF CONTRACT TERM

The Commonwealth reserves the right, upon notice to the Contractor, to extend the term of the Contract for up to three (3) months upon the same terms and conditions.

3. DEFINITIONS

As used in this Contract, these words shall have the following meanings:

- a. Agency: The department, board, commission or other agency of the Commonwealth of Pennsylvania listed as the Purchasing Agency. If a COSTARS entity or external procurement activity has issued an order against this contract, that entity shall also be identified as "Agency".
- b. Contracting Officer: The person authorized to administer this Contract for the Commonwealth and to make written determinations with respect to the Contract.
- c. Days: Unless specifically indicated otherwise, days mean calendar days.
- d. Developed Works or Developed Materials: All documents, sketches, drawings, designs, works, papers, files, reports, computer programs, computer documentation, data, records, software, samples or any other tangible material without limitation authored or prepared by Contractor as the work product covered in the scope of work for the Project.
- e. Documentation: All materials required to support and convey information about the services required by this Contract. It includes, but is not necessarily restricted to, written reports and analyses, diagrams, maps, logical and physical designs, system designs, computer programs, flow charts, disks, and/or other machine-readable storage media.
- f. Services: All Contractor activity necessary to satisfy the Contract.

4. INDEPENDENT PRIME CONTRACTOR

In performing its obligations under the Contract, the Contractor will act as an independent contractor and not as an employee or agent of the Commonwealth. The Contractor will be responsible for all services in this Contract whether or not Contractor provides them directly. Further, the Contractor is the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

5. DELIVERY

- a. **Supplies Delivery:** All item(s) shall be delivered F.O.B. Destination. The Contractor agrees to bear the risk of loss, injury, or destruction of the item(s) ordered prior to receipt of the items by the Commonwealth. Such loss, injury, or destruction shall not release the Contractor from any contractual obligations. Except as otherwise provided in this contract, all item(s) must be delivered within the time period specified. Time is of the essence and, in addition to any other remedies, the Contract is subject to termination for failure to deliver as specified. Unless otherwise stated in this Contract, delivery must be made within thirty (30) days after the Effective Date.
- b. **Delivery of Services:** The Contractor shall proceed with all due diligence in the performance of the services with qualified personnel, in accordance with the completion criteria set forth in the Contract.

6. ESTIMATED QUANTITIES

It shall be understood and agreed that any quantities listed in the Contract are estimated only and may be increased or decreased in accordance with the actual requirements of the Commonwealth and that the Commonwealth in accepting any bid or portion thereof, contracts only and agrees to purchase only the materials and services in such quantities as represent the actual requirements of the Commonwealth. The Commonwealth reserves the right to purchase materials and services covered under the Contract through a separate competitive procurement procedure, whenever Commonwealth deems it to be in its best interest.

7. WARRANTY

The Contractor warrants that all items furnished and all services performed by the Contractor, its agents and subcontractors shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Contract, all items are warranted for a period of one year following delivery by the Contractor and acceptance by the Commonwealth. The Contractor shall repair, replace or otherwise correct any problem with the delivered item. When an item is replaced, it shall be replaced with an item of equivalent or superior quality without any additional cost to the Commonwealth.

8. PATENT, COPYRIGHT, AND TRADEMARK INDEMNITY

The Contractor 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 Contract 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 contract. The Contractor 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 Contract. 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 Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written authorization. The Contractor shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the Contractor 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 Contract. If any of the products provided by the Contractor in such suit or proceeding are held to constitute infringement and the use is enjoined, the Contractor 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 Contractor is unable to do any of the preceding, the Contractor 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 Contractor under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Contractor without its written consent.

9. 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 Contract.

10. ACCEPTANCE

No item(s) received by the Commonwealth shall be deemed accepted until the Commonwealth has had a reasonable opportunity to inspect the item(s). Any item(s) which is discovered to be defective or fails to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the item(s) or the noncompliance with the specifications were not reasonably ascertainable upon the initial inspection. It shall thereupon become the duty of the Contractor to remove rejected item(s) from the premises without expense to the Commonwealth within fifteen (15) days after notification. Rejected item(s) left longer than fifteen (15) days will be regarded as abandoned, and the Commonwealth shall have the right to dispose of them as its own property and shall retain that portion of the proceeds of any sale which represents the Commonwealth's costs and expenses in regard to the storage and sale of the item(s). Upon notice of rejection, the Contractor shall immediately replace all such rejected item(s) with others conforming to the specifications and which are not defective. If the Contractor fails, neglects or refuses to do so, the Commonwealth shall then have the right to procure a corresponding quantity of such item(s), and deduct from any monies due or that may

thereafter become due to the Contractor, the difference between the price stated in the Contract and the cost thereof to the Commonwealth.

11. PRODUCT CONFORMANCE

The Commonwealth reserves the right to require any and all Contractors to:

- a. Provide certified data from laboratory testing performed by the Contractor, or performed by an independent laboratory, as specified by the Commonwealth.
- b. Supply published manufacturer product documentation.
- c. Permit a Commonwealth representative to witness testing at the Contractor's location or at an independent laboratory.
- d. Complete a survey/questionnaire relating to the bid requirements and specifications.
- e. Provide customer references.
- f. Provide a product demonstration at a location near Harrisburg or the using agency location.

12. REJECTED MATERIAL NOT CONSIDERED ABANDONED

The Commonwealth shall have the right to not regard any rejected material as abandoned and to demand that the Contractor remove the rejected material from the premises within thirty (30) days of notification. The Contractor shall be responsible for removal of the rejected material as well as proper clean-up. If the Contractor fails or refuses to remove the rejected material as demanded by the Commonwealth, the Commonwealth may seek payment from, or set-off from any payments due to the Contractor under this or any other Contract with the Commonwealth, the costs of removal and clean-up. This is in addition to all other rights to recover costs incurred by the Commonwealth.

13. COMPLIANCE WITH LAW

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

14. ENVIRONMENTAL PROVISIONS

In the performance of the Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations, including, but not limited to, the Clean Streams Law Act of June 22, 1937 (P.L. 1987, No. 394), as amended 35 P.S. § 691.601 et seq.; the Pennsylvania Solid Waste Management Act, Act of July 7, 1980 (P.L. 380, No. 97), as amended, 35 P.S. § 6018.101 et seq.; and the Dam Safety and Encroachment Act, Act of November 26, 1978 (P.L. 1375, No. 325), as amended, 32 P.S. § 693.1.

15. POST-CONSUMER RECYCLED CONTENT

- a. 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

Contract must meet the minimum percentage levels for total recycled content as specified on the Department of General Services website at www.dgs.state.pa.us on the date of submission of the bid, proposal or contract offer.

- b. **Recycled Content Enforcement:** The Contractor may be required, after delivery of the Contract item(s), to provide the Commonwealth with documentary evidence that the item(s) was in fact produced with the required minimum percentage of post-consumer and recovered material content.

16. COMPENSATION

- a. **Compensation for Supplies:** The Contractor shall be required to furnish the awarded item(s) at the price(s) quoted in the Contract. All item(s) shall be delivered within the time period(s) specified in the Contract. The Contractor shall be compensated only for item(s) that are delivered and accepted by the Commonwealth.
- b. **Compensation for Services:** The Contractor shall be required to perform the specified services at the price(s) quoted in the Contract. All services shall be performed within the time period(s) specified in the Contract. The Contractor shall be compensated only for work performed to the satisfaction of the Commonwealth. The Contractor shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Contract.

17. BILLING REQUIREMENTS

Unless the Contractor has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Contractor shall include in all of its invoices the following minimum information:

- a. Vendor name and "Remit to" address, including SAP Vendor number;
- b. Bank routing information, if ACH;
- c. SAP Purchase Order number;
- d. Delivery Address, including name of Commonwealth agency;
- e. Description of the supplies/services delivered in accordance with SAP Purchase Order (include purchase order line number if possible);
- f. Quantity provided;
- g. Unit price;
- h. Price extension;
- i. Total price; and
- j. Delivery date of supplies or services.

If an invoice does not contain the minimum information set forth in this paragraph, the Commonwealth may return the invoice as improper. If the Commonwealth returns an invoice as improper, the time for processing a payment will be suspended until the Commonwealth receives a correct invoice. The Contractor may not receive payment until the Commonwealth has received a correct invoice.

Contractors are required to establish separate billing accounts with each using agency and invoice them directly. Each invoice shall be itemized with adequate detail and match the line item on the Purchase Order. In no instance shall any payment be made for services to the Contractor that are not in accordance with the prices on the Purchase Order, the Contract, updated price lists or any discounts negotiated by the purchasing agency.

18. 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 Contract; (b) thirty (30) days after a proper invoice actually is received at the “Bill To” address if a date on which payment is due is not specified in the Contract (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 Contract. 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 Contractor as acceptance of the service performed by the Contractor. 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 Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Contractor or its subsidiaries to the Commonwealth against any payments due the Contractor under any contract with the Commonwealth.
- b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Contract or Purchase Order. The Commonwealth’s purchasing card is similar to a credit card in that there will be a small fee which the Contractor will be required to pay and the Contractor 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 Contractor. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Contractor or any other charges incurred by the Contractor, unless specifically stated in the terms of the Contract or Purchase Order.
- c. The Commonwealth will make contract payments through Automated Clearing House (ACH).
 - 1) Within 10 days of award of the contract or purchase order, the contractor must submit or must have already submitted their ACH information within their user profile in the Commonwealth’s procurement system (SRM).
 - 2) The contractor must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of

Pennsylvania's ACH remittance advice to enable the contractor to properly apply the state agency's payment to the invoice submitted.

- 3) It is the responsibility of the contractor to ensure that the ACH information contained in SRM is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

19. 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 contractor 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 contract.

20. ASSIGNMENT OF ANTITRUST CLAIMS

The Contractor and the Commonwealth recognize that in actual economic practice, overcharges by the Contractor'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 Contract, and intending to be legally bound, the Contractor assigns to the Commonwealth all right, title and interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Contract.

21. COMMONWEALTH HELD HARMLESS

- a. The Contractor shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all third party claims, demands and actions based upon or arising out of any activities performed by the Contractor and its employees and agents under this Contract, provided the Commonwealth gives Contractor prompt notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act (71 P.S. Section 732-101, et seq.), the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under such terms as it deems appropriate, delegate its right of defense. If OAG delegates the defense to the Contractor, the Commonwealth will cooperate with all reasonable requests of Contractor made in the defense of such suits.
- b. Notwithstanding the above, neither party shall enter into any settlement without the other party's written consent, which shall not be unreasonably withheld. The Commonwealth may, in its sole discretion, allow the Contractor to control the defense and any related settlement negotiations.

22. 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 Contractor to the extent that the books, documents and records relate to costs or pricing data for the Contract. The Contractor agrees to maintain records which will support the prices charged and costs incurred for the Contract. The Contractor shall preserve books, documents, and records that relate to costs or pricing data for the Contract for a period of three (3) years from date of final payment. The Contractor shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

23. DEFAULT

a. The Commonwealth may, subject to the Force Majeure provisions of this Contract, and in addition to its other rights under the Contract, declare the Contractor in default by written notice thereof to the Contractor, and terminate (as provided in the Termination Provisions of this Contract) the whole or any part of this Contract or any Purchase Order for any of the following reasons:

- 1) Failure to begin work within the time specified in the Contract or Purchase Order 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 Contract or Purchase Order terms;
- 3) Unsatisfactory performance of the work;
- 4) Failure to deliver the awarded item(s) within the time specified in the Contract or Purchase Order or as otherwise specified;
- 5) Improper delivery;
- 6) Failure to provide an item(s) which is in conformance with the specifications referenced in the Contract or Purchase Order;
- 7) Delivery of a defective item;
- 8) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
- 9) Discontinuance of work without approval;
- 10) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
- 11) Insolvency or bankruptcy;
- 12) Assignment made for the benefit of creditors;
- 13) Failure or refusal within 10 days after written notice by the Contracting 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;

- 14) Failure to protect, to repair, or to make good any damage or injury to property;
 - 15) Breach of any provision of the Contract;
 - 16) Failure to comply with representations made in the Contractor's bid/proposal; or
 - 17) Failure to comply with applicable industry standards, customs, and practice.
- b. In the event that the Commonwealth terminates this Contract or any Purchase Order 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, items similar or identical to those so terminated, and the Contractor shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical items included within the terminated part of the Contract or Purchase Order.
- c. If the Contract or a Purchase Order is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Contractor to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Contracting Officer, such partially completed items, including, where applicable, reports, working papers and other documentation, as the Contractor has specifically produced or specifically acquired for the performance of such part of the Contract or Purchase Order as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Contract price. Except as provided below, payment for partially completed items including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Contractor and Contracting Officer. The Commonwealth may withhold from amounts otherwise due the Contractor for such completed or partially completed works, such sum as the Contracting 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 Contract.
- 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 Contractor's administrative remedies as set forth in the Contract Controversies Provision of the Contract, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

24. FORCE MAJEURE

Neither party will incur any liability to the other if its performance of any obligation under this Contract 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 Contractor shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Contractor 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 contract is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor 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 to cancel the Contract, cancel the Purchase Order, or to extend the time for performance as reasonably necessary to compensate for the Contractor's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Contractor, may suspend all or a portion of the Contract or Purchase Order.

25. TERMINATION PROVISIONS

The Commonwealth has the right to terminate this Contract or any Purchase Order for any of the following reasons. Termination shall be effective upon written notice to the Contractor.

- a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for its convenience if the Commonwealth determines termination to be in its best interest. The Contractor shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Contractor 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 Contract or a Purchase Order. The Contractor 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 the Contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid from any appropriations available for that purpose
- c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for Contractor default under the Default Clause upon written notice to the Contractor. The Commonwealth shall also have the right, upon written notice to the Contractor, to terminate the Contract or a Purchase Order for other cause as specified in the Contract or by law. If it is later determined that the Commonwealth erred in terminating the Contract or a Purchase Order for cause, then, at the Commonwealth's discretion, the Contract or Purchase Order shall be deemed to have been terminated for convenience under Subparagraph a.

26. CONTRACT CONTROVERSIES

- a. In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its right to assert a claim in any forum. At the time the claim is filed, or within sixty (60) days thereafter, either party may request mediation through the Commonwealth Office of General Counsel Dispute Resolution Program.
- b. If the Contractor or the contracting officer requests mediation and the other party agrees, the contracting officer shall promptly make arrangements for mediation. Mediation shall be scheduled so as to not delay the issuance of the final determination beyond the required 120 days after receipt of the claim if mediation is unsuccessful. If mediation is not agreed to or if resolution is not reached through mediation, the contracting 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 contracting officer and the Contractor. The contracting officer shall send his/her written determination to the Contractor. If the contracting 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 contracting 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 Contractor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate the Contractor pursuant to the terms of the Contract.

27. ASSIGNABILITY AND SUBCONTRACTING

- a. Subject to the terms and conditions of this Paragraph, this Contract shall be binding upon the parties and their respective successors and assigns.
- b. The Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- c. The Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- d. Notwithstanding the foregoing, the Contractor may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Contract.

- e. For the purposes of this Contract, 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 Contractor 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 Contracting Officer shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.
- g. A change of name by the Contractor, following which the Contractor’s federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Contractor shall give the Contracting Officer written notice of any such change of name.

28. OTHER CONTRACTORS

The Commonwealth may undertake or award other contracts for additional or related work, and the Contractor shall fully cooperate with other contractors and Commonwealth employees, and coordinate its work with such additional work as may be required. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Commonwealth employees. This paragraph shall be included in the Contracts of all contractors with which this Contractor will be required to cooperate. The Commonwealth shall equitably enforce this paragraph as to all contractors to prevent the imposition of unreasonable burdens on any contractor.

29. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

The Contractor agrees:

- a. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the *Pennsylvania Human Relations Act* (PHRA) and applicable federal laws, against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- b. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract.
- c. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, in the provision of services under the contract.
- d. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against employees by reason of participation in or decision to refrain

from participating in labor activities protected under the *Public Employee Relations Act*, *Pennsylvania Labor Relations Act* or *National Labor Relations Act*, as applicable and to the extent determined by entities charged with such Acts' enforcement, and shall comply with any provision of law establishing organizations as employees' exclusive representatives.

- e. The Contractor and each subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees in writing of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contracted services are performed shall satisfy this requirement for employees with an established work site.
- f. The Contractor and each subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of PHRA and applicable federal laws, against any subcontractor or supplier who is qualified to perform the work to which the contract relates.
- g. The Contractor and each subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws, regulations and policies relating to nondiscrimination and sexual harassment. The Contractor and each 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 Contractor and each 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 contracting agency and the Bureau of Diversity, Inclusion and Small Business Opportunities for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.
- h. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
- i. The Contractor's and each subcontractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor and each subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the contract, it becomes aware of any actions or occurrences that would result in violation of these provisions.
- j. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

30. 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 if 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.

- f.* 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)*.
- g.* 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.
- h.* 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.
- i.* 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.
- j.* 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.

31. CONTRACTOR RESPONSIBILITY PROVISIONS

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

- a. The Contractor certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such subcontractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
- b. The Contractor also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.
- c. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the Contractor, any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
- d. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.
- e. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

- f. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors 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

32. 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 Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this contract, the Contractor 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 contracts with outside contractors.
- b. The Contractor 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 Contractor’s failure to comply with the provisions of subparagraph a above.

33. HAZARDOUS SUBSTANCES

The Contractor shall provide information to the Commonwealth about the identity and hazards of hazardous substances supplied or used by the Contractor in the performance of the Contract. The Contractor 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 34 Pa. Code Section 301.1 et seq.

- a. Labeling. The Contractor 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 Contractor 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,
 - b) A hazard warning, if appropriate, and
 - c) 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 contractor 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 contractor shall provide an appropriate MSDS, if the manufacturer, importer, or supplier produces or possesses the MSDS. The contractor 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.

34. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract 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 Contractor for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Contract without liability or in its discretion to deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

35. APPLICABLE LAW

This Contract 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 Contractor 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 Contractor 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.

36. INTEGRATION

This Contract, including all referenced documents, constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Contractor has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Contract, 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 Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both parties.

37. ORDER OF PRECEDENCE

In the event there is a conflict among the documents comprising this Contract, the Commonwealth and the Contractor agree on the following order of precedence: the Contract; the solicitation; and the Contractor's response to the solicitation.

38. CONTROLLING TERMS AND CONDITIONS

The terms and conditions of this Contract shall be the exclusive terms of agreement between the Contractor and the Commonwealth. All quotations requested and received from the Contractor are for obtaining firm pricing only. Other terms and conditions or additional terms and conditions included or referenced in the Contractor's quotations, invoices, business forms, or other documentation shall not become part of the parties' agreement and shall be disregarded by the parties, unenforceable by the Contractor and not binding on the Commonwealth.

39. CHANGES

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

40. BACKGROUND CHECKS

- a. The Contractor must, at its expense, arrange for a background check for each of its employees, as well as the employees of any of its subcontractors, who will have access to Commonwealth facilities, either through on-site access or through remote access. Background checks are to be conducted via the Request for Criminal Record Check form and procedure found at <http://www.psp.state.pa.us/psp/lib/psp/sp4-164.pdf>. The background check must be conducted prior to initial access and on an annual basis thereafter.
- b. Before the Commonwealth will permit access to the Contractor, the Contractor must provide written confirmation that the background checks have been conducted. If, at any time, it is discovered that a Contractor employee has a criminal record that includes a felony or misdemeanor involving terroristic behavior, violence, use of a lethal weapon, or breach of trust/fiduciary responsibility or which raises concerns about building, system or personal security or is otherwise job-related, the Contractor shall not assign that employee to any Commonwealth facilities, shall remove any access privileges already given to the employee and shall not permit that employee remote access unless the Commonwealth consents to the access, in writing, prior to the access. The Commonwealth may withhold its consent in its sole discretion. Failure of the Contractor to comply with the terms of this Section on more than one occasion or Contractor's failure to appropriately address any single failure to the satisfaction of the Commonwealth may result in the Contractor being deemed in default of its Contract.

- c. The Commonwealth specifically reserves the right of the Commonwealth to conduct background checks over and above that described herein.
- d. Access to certain Capitol Complex buildings and other state office buildings is controlled by means of card readers and secured visitors' entrances. Commonwealth contracted personnel who have regular and routine business in Commonwealth worksites may be issued a photo identification or access badge subject to the requirements of the contracting agency and DGS set forth in Enclosure 3 of Commonwealth Management Directive 625.10 (Amended) Card Reader and Emergency Response Access to Certain Capitol Complex Buildings and Other State Office Buildings. The requirements, policy and procedures include a processing fee payable by the Contractor for contracted personnel photo identification or access badges.

41. CONFIDENTIALITY

- a. The Contractor agrees to guard the confidentiality of the Commonwealth's confidential information with the same diligence with which it guards its own proprietary information. If the Contractor needs to disclose all or part of project materials to third parties to assist in the work or service performed for the Commonwealth, it may do so only if such third parties sign agreements containing substantially the same provisions as contained in this Section. The Commonwealth agrees to protect the confidentiality of Contractor's confidential information. In order for information to be deemed to be confidential, the party claiming confidentiality must designate the information as "confidential" in such a way as to give notice to the other party. The parties agree that such confidential information shall not be copied, in whole or in part, except when essential for authorized use under this Contract. Each copy of such confidential information shall be marked by the party making the copy with all confidentiality notices appearing in the original. Upon termination or cancellation of this Contract or any license granted hereunder, the receiving party will return to the disclosing party all copies of the confidential information in the receiving party's possession, other than one copy, which may be maintained for archival purposes only. Both parties agree that a material breach of these requirements may, after failure to cure within the time frame specified in this Contract, and at the discretion of the non-breaching party, result in termination for default.
- b. The obligations stated in this Section do not apply to information:
 - 1) already known to the recipient at the time of disclosure other than through the contractual relationship;
 - 2) independently generated by the recipient and not derived from the information supplied by the disclosing party;
 - 3) known or available to the public, except where such knowledge or availability is the result of unauthorized disclosure by the recipient of the proprietary information;
 - 4) disclosed to the recipient without a similar restriction by a third party who has the right to make such disclosure; or
 - 5) required to be disclosed by the recipient by law, regulation, court order, or other legal process.

- c. There shall be no restriction with respect to the use or disclosure of any ideas, concepts, know-how, or data processing techniques developed alone or jointly with the Commonwealth in connection with services provided to the Commonwealth under this Contract.

42. NOTICE

Any written notice to any party under this Contract shall be deemed sufficient if delivered personally, or by facsimile, teletype, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.) with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, and sent to following:

- a. If to the Contractor: the Contractor's address as recorded in the Commonwealth's Supplier Registration system.
- b. If to the Commonwealth: the address of the Issuing Office as set forth on the Contract.

43. RIGHT TO KNOW LAW

- a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, (“RTKL”) applies to this Contract. For the purpose of these provisions, the term “the Commonwealth” shall refer to the contracting Commonwealth agency.
- b. If the Commonwealth needs the Contractor’s assistance in any matter arising out of the RTKL related to this Contract, it shall notify the Contractor using the legal contact information provided in this Contract. The Contractor, 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 the Contractor’s assistance in responding to a request under the RTKL for information related to this Contract that may be in the Contractor’s possession, constituting, or alleged to constitute, a public record in accordance with the RTKL (“Requested Information”), the Contractor 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 the Contractor’s possession arising out of this Contract 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 Contract.
- d. If the Contractor 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 the Contractor considers exempt from production under the RTKL, the Contractor must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a

representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL.

- e. The Commonwealth will rely upon the written statement from the Contractor 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, the Contractor shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth's determination.
- f. If the Contractor fails to provide the Requested Information within the time period required by these provisions, the Contractor shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth.
- g. The Commonwealth will reimburse the Contractor 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. The Contractor 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, the Contractor 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 the Contractor's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, the Contractor 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 Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

44. ENHANCED MINIMUM WAGE PROVISIONS

- a. **Enhanced Minimum Wage.** Contractor/Lessor agrees to pay no less than \$12.00 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.
- b. **Adjustment.** Beginning July 1, 2019, and annually thereafter, the minimum wage rate shall be increased by \$0.50 until July 1, 2024, when the minimum wage reaches \$15.00. Thereafter, the minimum wage rate would be increased by an annual cost-of-living adjustment using the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for Pennsylvania, New Jersey, Delaware, and Maryland. The applicable adjusted amount shall be

published in the Pennsylvania Bulletin by March 1 of each year to be effective the following July 1.

- c. **Exceptions.** These Enhanced Minimum Wage Provisions shall not apply to employees:
 - 1. exempt from the minimum wage under the Minimum Wage Act of 1968;
 - 2. covered by a collective bargaining agreement;
 - 3. 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
 - 4. required to be paid a higher wage under any state or local policy or ordinance.
- d. **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.
- e. **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.
- f. **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.
- g. **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.

ATTACHMENT 4

**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 DPW Facility or DPW 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. 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" 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 acquired 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. 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.

R. 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.

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. Any federal statute prescribing specific policies or specific requirements that differ from the standards provided herein shall govern.

Contractor means a dealer, distributor, merchant, or other seller providing goods or services to an entity 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 (see 2 CFR Part 200 § 200.23). For purposes of this audit clause, a contractor is **not** a subrecipient as defined in 2 CFR Part 200 § 200.93.

DHS Audit Requirements

If in connection with the agreement, the contractor **expends \$500,000 or more in combined state and federal funds** during the program year, the contractor shall, for the term of the contract, engage an independent auditor that conducts annual examinations of its compliance with the terms and conditions of this contract (compliance attestations). These examinations shall be conducted in accordance with the American Institute of Certified Public Accountants' Statements on Standards for Attestation Engagements No. 18, Attestation Standards: Clarification and Recodification (SSAE 18) and shall be of a scope acceptable to DHS. The initial compliance attestation shall be completed for the official annual reporting period of this agreement and conducted annually thereafter.

DHS, other state agencies, and federal agencies, or their authorized representatives, may perform financial and performance audits. If an audit of this contract is to 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 shall 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.

Except when a longer period is stated in the contract, 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 DHS, or as required by applicable federal laws and regulations. If this contract is completely or partially terminated, contractor shall preserve the records relating to the work terminated and make available for a period of five years from the date of any resulting final settlement.

The contractor shall retain and shall make available or provide to DHS at DHS's option those records that relate to litigation or the settlement of claims arising out of performance or expenditures under the contract 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 retain records as required by this Audit Clause using 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 DHS.

DHS Required Compliance Attestation Report Submission

The contractor shall submit the compliance attestation report to the DHS within 90 days after the required period of audit has ended. When the compliance attestation report is other than unmodified, the contractor shall submit to DHS, in addition to the report, a plan describing what actions the contractor shall implement to correct the situation that caused the independent accountant to issue a modified opinion, a timetable for implementing the planned corrective actions and a process for monitoring compliance with the timetable, and the contact person who is responsible for resolution

The contractor shall submit **two copies** of the compliance attestation reports directly to the contract manager.

REMEDIES FOR NONCOMPLIANCE

The contractor's failure to provide an acceptable compliance attestation may result in the DHS not accepting the report and initiating actions against the contractor that may include the following:

- • Disallowing the cost of the compliance attestation.
- • Withholding a percentage of the contract funding pending compliance.
- • Suspending subsequent contract funding pending compliance.
- • Requiring a corrective action plan.
- • Terminating the contract if the failure is not corrected within the time period approved by DHS.
- • Assessing liquidated damages up to the amount of \$100 for each calendar day and portion of each calendar day for which the compliance attestation report, was submitted beyond its required due date.

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE D – CONTRACTOR

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

ATTACHMENT 5

COMMONWEALTH OF PENNSYLVANIA BUSINESS ASSOCIATE ADDENDUM

WHEREAS, the Pennsylvania Department of Human Services (Covered Entity) and Contractor (Business Associate) intend to protect the privacy and security of certain Protected Health Information (PHI) to which Business Associate may have access in order to provide services to or on behalf of Covered Entity, in accordance with the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health (HITECH) Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. No. 111-5 (Feb. 17, 2009) and related regulations, the HIPAA Privacy Rule (Privacy Rule), 45 C.F.R. Parts 160 and 164, as amended, the HIPAA Security Rule (Security Rule), 45 C.F.R. Parts 160, 162 and 164,), as amended, 42 C.F.R. §§ 431.301-431.302, 42 C.F.R. Part 2, 45 C.F.R. § 205.50, 42 U.S.C. § 602(a)(1)(A)(iv), 42 U.S.C. § 1396a(a)(7), 35 P.S. § 7607, 50 Pa.C.S. § 7111, 71 P.S. § 1690.108(c), 62 P.S. § 404, 55 Pa. Code Chapter 105, 55 Pa. Code Chapter 5100, the Pennsylvania Breach of Personal Information Notification Act, 73 P.S. § 2301 *et seq.*, and other relevant laws, including subsequently adopted provisions applicable to use and disclosure of confidential information, and applicable agency guidance.

WHEREAS, Business Associate may receive PHI from Covered Entity, or may create or obtain PHI from other parties for use on behalf of Covered Entity, which PHI may be used or disclosed only in accordance with this Addendum and the standards established by applicable laws and agency guidance.

WHEREAS, Business Associate may receive PHI from Covered Entity, or may create or obtain PHI from other parties for use on behalf of Covered Entity, which PHI must be handled in accordance with this Addendum and the standards established by HIPAA, the HITECH Act and related regulations, and other applicable laws and agency guidance.

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

1. Definitions.

- a. "Business Associate" shall have the meaning given to such term under HIPAA, the HITECH Act, applicable regulations and agency guidance.
- b. "Covered Entity" shall have the meaning given to such term under HIPAA, the HITECH Act and applicable regulations and agency guidance.
- c. "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- d. "HITECH Act" shall mean the Health Information Technology for Economic and Clinical Health (HITECH) Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. No. 111-5 (Feb. 17, 2009).
- e. "Privacy Rule" shall mean the standards for privacy of individually identifiable health information in 45 C.F.R. Parts 160 and 164, as amended, and related agency guidance.
- f. "Protected Health Information" or "PHI" shall mean any information, transmitted or recorded in any form or medium; (i) that relates to the past, present or future

physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual, and (ii) that identifies the individual or which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under HIPAA, the HITECH Act and related regulations and agency guidance. PHI also includes any and all information that can be used to identify a current or former applicant or recipient of benefits or services of Covered Entity (or Covered Entity's contractors/business associates).

- g. "Security Rule" shall mean the security standards in 45 C.F.R. Parts 160, 162 and 164, as amended, and related agency guidance.
- h. "Unsecured PHI" shall mean PHI that is not secured through the use of a technology or methodology as specified in HITECH regulations and agency guidance or as otherwise defined in the HITECH Act.

2. **Stated Purposes For Which Business Associate May Use Or Disclose PHI.** The Business Associate shall be permitted to use and/or disclose PHI provided by or obtained on behalf of Covered Entity for the purposes of providing services under its contract with Covered Entity, except as otherwise stated in this Addendum.

NO OTHER DISCLOSURES OF PHI OR OTHER INFORMATION ARE PERMITTED.

3. **BUSINESS ASSOCIATE OBLIGATIONS:**

- a) **Limits On Use And Further Disclosure.** Business Associate shall not further use or disclose PHI provided by, or created or obtained on behalf of Covered Entity other than as permitted or required by this Addendum or as required by law and agency guidance.
- b) **Appropriate Safeguards.** Business Associate shall establish and maintain appropriate safeguards to prevent any use or disclosure of PHI other than as provided for by this Addendum. Appropriate safeguards shall include implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that is created, received, maintained, or transmitted on behalf of the Covered Entity and limiting use and disclosure to applicable minimum necessary requirements as set forth in applicable federal and state statutory and regulatory requirements and agency guidance.
- c) **Reports Of Improper Use Or Disclosure.** Business Associate hereby agrees that it shall report to DHS Chief Information Security Officer at (717) 772-6469, within two (2) days of discovery any use or disclosure of PHI not provided for or allowed by this Agreement.

- d) Reports Of Security Incidents.** In addition to the breach notification requirements in section 13402 of the HITECH Act and related regulations, agency guidance and other applicable federal and state laws, Business Associate shall report to DHS Chief Information Security Officer at (717) 772-6469, within two (2) days of discovery any security incident of which it becomes aware. At the sole expense of Business Associate, Business Associate shall comply with all federal and state breach notification requirements, including those applicable to Business Associate and those applicable to Covered Entity. Business Associate shall indemnify the Covered Entity for costs associated with any incident involving the acquisition, access, use or disclosure of Unsecured PHI in a manner not permitted under federal or state law and agency guidance.
- (e) Subcontractors And Agents.** At any time PHI is provided or made available to Business Associate subcontractors or agents, Business Associate shall provide only the minimum necessary PHI for the purpose of the covered transaction and shall first enter into a subcontract or contract with the subcontractor or agent that contains the same terms, conditions and restrictions on the use and disclosure of PHI as contained in this Addendum.
- (f) Right Of Access To PHI.** Business Associate shall allow an individual who is the subject of PHI maintained in a designated record set, to have access to and copy that individual's PHI within five (5) business days of receiving a written request from the Covered Entity. Business Associate shall provide PHI in the format requested, if it is readily producible in such form and format; or if not, in a readable hard copy form or such other form and format as agreed to by Business Associate and the individual. If the request is for information maintained in one or more designated record sets electronically and if the individual requests an electronic copy of such information, Business Associate must provide the individual with access to the PHI in the electronic form and format requested by the individual, if it is readily producible in such form and format; or, if not, in a readable electronic form and format as agreed to by the Business Associate and the individual. If any individual requests from Business Associate or its agents or subcontractors access to PHI, Business Associate shall notify Covered Entity within five (5) business days. Business associate shall further conform with all of the requirements of 45 C.F.R. §164.524 and other applicable laws, including the HITECH Act and related regulations, and agency guidance.
- (g) Amendment And Incorporation Of Amendments.** Within five (5) business days of receiving a request from Covered Entity for an amendment of PHI maintained in a designated record set, Business Associate shall make the PHI available and incorporate the amendment to enable Covered Entity to comply with 45 C.F.R. §164.526, applicable federal and state law, including the HITECH Act and related regulations, and agency guidance. If an individual requests an amendment from Business Associate or its agents or subcontractors, Business Associate shall notify Covered Entity within five (5) business days.

- (h) Provide Accounting Of Disclosures.** Business Associate shall maintain a record of all disclosures of PHI in accordance with 45 C.F.R. §164.528 and other applicable laws and agency guidance, including the HITECH Act and related regulations. Such records shall include, for each disclosure, the date of the disclosure, the name and address of the recipient of the PHI, a description of the PHI disclosed, the name of the individual who is the subject of the PHI disclosed, and the purpose of the disclosure. Business Associate shall make such record available to the individual or the Covered Entity within five (5) business days of a request for an accounting of disclosures.
- (i) Requests for Restriction.** Business Associate shall comply with requests for restrictions on disclosures of PHI about an individual if the disclosure is to a health plan for purposes of carrying out payment or health care operations (and is not for treatment purposes), and the PHI pertains solely to a health care item or service for which the service involved was paid in full out-of-pocket. For other requests for restriction, Business Associate shall otherwise comply with the Privacy Rules, as amended, and other applicable statutory and regulatory requirements and agency guidance.
- (j) Access To Books And Records.** Business Associate shall make its internal practices, books, and records relating to the use or disclosure of PHI received from, or created or received by Business Associate on behalf of the Covered Entity, available to the Secretary of Health and Human Services or designee for purposes of determining compliance with applicable laws and agency guidance.
- (k) Return Or Destruction Of PHI.** At termination or expiration of the contract, Business Associate shall return or destroy all PHI provided by or obtained on behalf of Covered Entity. Business Associate may not retain any copies of the PHI after termination or expiration of its contract. If return or destruction of the PHI is not feasible, Business Associate shall extend the protections of this Addendum to limit any further use or disclosure until such time as the PHI may be returned or destroyed. If Business Associate elects to destroy the PHI, it shall certify to Covered Entity that the PHI has been destroyed.
- (l) Maintenance of PHI.** Notwithstanding Section 3(k) of this Agreement, Business Associate and its subcontractors or agents shall retain all PHI throughout the term of the its contract and this Addendum and shall continue to maintain the information required under the various documentation requirements of its contract and this Addendum (such as those in §3(h)) for a period of six (6) years after termination or expiration of its contract, unless Covered Entity and Business Associate agree otherwise.
- (m) Mitigation Procedures.** Business Associate shall establish and provide to Covered Entity upon request, procedures for mitigating, to the maximum extent practicable, any harmful effect from the use or disclosure of PHI in a manner contrary to this Addendum or the Privacy Rules, as amended. Business Associate

shall mitigate any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Addendum or applicable laws and agency guidance.

- (n) Sanction Procedures.** Business Associate shall develop and implement a system of sanctions for any employee, subcontractor or agent who violates this Addendum, applicable laws or agency guidance.
- (o) Grounds For Breach.** Non-compliance by Business Associate with this Addendum or the Privacy or Security Rules, as amended, is a breach of the contract, for which the Commonwealth may elect to terminate Business Associate's contract.
- (p) Termination by Commonwealth.** Business Associate authorizes termination of this Agreement by the Commonwealth if the Commonwealth determines, in its sole discretion that Business Associate has violated a material term of this Addendum.
- (q) Failure to Perform Obligations.** In the event Business Associate fails to perform its obligations under this Addendum, Covered Entity may immediately discontinue providing PHI to Business Associate. Covered Entity may also, at its option, require Business Associate to submit to a plan of compliance, including monitoring by Covered Entity and reporting by Business Associate, as Covered Entity in its sole discretion determines to be necessary to maintain compliance with this Addendum and applicable laws and agency guidance.
- (r) Privacy Practices.** Covered Entity will provide and Business Associate shall immediately begin using any applicable form, including but not limited to, any form used for Notice of Privacy Practices, Accounting for Disclosures, or Authorization, upon the effective date designated by the Program or Covered Entity. Covered Entity may change applicable privacy practices, documents and forms. The Business Associate shall implement changes as soon as practicable, but not later than 45 days from the date of notice of the change. Business Associate shall otherwise comply with all applicable laws and agency guidance pertaining to notices of privacy practices, including the requirements set forth in 45 C.F.R. § 164.520.

4. OBLIGATIONS OF COVERED ENTITY:

- a) Provision of Notice of Privacy Practices.** Covered Entity shall provide Business Associate with the notice of privacy practices that the Covered Entity produces in accordance with applicable law and agency guidance, as well as changes to such notice. Covered Entity will post on its website any material changes to its notice of privacy practices by the effective date of the material change

- b) Permissions.** Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by individual to use or disclose PHI of which Covered Entity is aware, if such changes affect Business Associate's permitted or required uses and disclosures.
- c) Restrictions.** Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that the Covered Entity has agreed to in accordance with 45 C.F.R. §164.522 and other applicable laws and applicable agency guidance, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.