

Appendix C

**BUDGET SUMMARY**

(Insert Vendor Name)

(Insert SAP #)

(Insert Budget Period)

CATEGORIES	Original Budget	Amendment Type & Number	Total Budget
I. PERSONNEL SERVICES	-	-	-
II. CONSULTANT SERVICES	-	-	-
III. SUBCONTRACT SERVICES	-	-	-
IV. PATIENT SERVICES	-	-	-
V. EQUIPMENT	-	-	-
VI. SUPPLIES	-	-	-
VII. TRAVEL	-	-	-
VIII. OTHER COSTS	-	-	-
TOTAL	-	-	-













# Budget Instructions

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## General Instructions

- Please copy this file to your hard drive before making any edits. **Do not make any changes to this template.**
- Complete only highlighted areas. All other areas are formula driven and are template protected. Data should only be entered on the "Budget Details" tab.
- **Rows should not be deleted** (even if a particular category is not being used). If additional rows are needed, please contact the Division of Contracts to unprotect this template.
- Additional columns are available for multiple funding sources and amendments. Identify the funding source in the highlighted area.
- Tabs are provided to input data for up to 5 separate budget years. For agreements with multiple years, fill in the budget details for each applicable year. **For the original base document, the Budget Details, accompanying Budget Summary and Summary-Overall should be printed for submission.**
- **This template should be used when multiple funding sources are involved. It can also be used for amendments.** When preparing an amendment, start with the original budget information already completed and add the amendment changes within the budget category, directly below the original information. Please indicate the Amendment Type and Number in the appropriate column heading and update the Appendix C reference to indicate the amendment number. **For amendments, the Budget Details and accompanying Budget Summary should be printed for submission.**

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## Budget Details - Personnel Services

- Complete all highlighted areas.
- List all personnel to be funded, the hourly rate and number of hours. This calculation will automatically appear under Total Budget.
- Complete the costs associated to each funding source or to an Amendment, as applicable. The amount must equal the "Total Budget", otherwise an ERROR message will reflect on the Summary Page.
- Once all personnel costs are completed under Staff Personnel, each staff identified and their full project costs will also automatically appear under Fringe Benefits. Complete the benefit rate for each staff identified. The Total Budget will automatically calculate.
- Complete the costs associated to each funding source or to an Amendment, as applicable. The amount must equal the "Total Budget", otherwise an ERROR message will reflect on the Summary Page.
- Identify the fringe rate and specific benefits included in the rate.

## Budget Details - Consultants Services

- List consultants to be funded, the hourly rate and number of hours. This calculation will automatically appear under Total Budget.
- Complete the costs associated to each funding source or to an Amendment, as applicable. The amount must equal the "Total Budget", otherwise an ERROR message will reflect on the Summary Page.

## Budget Details - SubContract Services

- Identify services or subcontractors.
- Complete costs associated to each funding source or Amendment. The Total Budget costs will automatically calculate.

## Budget Details - Patient Services

- Identify services.
- Complete costs associated to each funding source or Amendment. The Total Budget costs will automatically calculate.

## Budget Details - Equipment

- Identify equipment, the quantity and unit cost. (Use this category for equipment that is \$5,000/unit or greater.) This calculation will automatically appear under Total Budget.
- Complete the costs associated to each funding source or to an Amendment, as applicable. The amount must equal the "Total Budget", otherwise an ERROR message will reflect on the Summary Page.

## Budget Details - Supplies

- Identify supplies (in general terms).
- Complete costs associated to each funding source or Amendment. The Total Budget costs will automatically calculate.

## Budget Details - Travel

- Identify travel. Ensure costs are at approved rates as identified in the incorporated document for Commonwealth Travel and Subsistence Rates
- Complete costs associated to each funding source or Amendment. The Total Budget costs will automatically calculate.

## Budget Details - Other Costs

- Identify other costs. (Indirect costs, if applicable, should be reflected under this category.)
- Complete costs associated to each funding source or Amendment. The Total Budget costs will automatically calculate.

## Budget Details - Total

- Totals calculate automatically.

## Summary

- All areas are formula driven and password protected. No entry is required on this page.

## Summary - Overall

- Most areas are formula driven and password protected. Data entry is only required to reflect the total project period.



**STANDARD CONTRACT  
TERMS AND CONDITIONS - SAP**

If an award is made to a Bidder, the Bidder shall receive a Contract that obligates Bidder to furnish the awarded item(s) in accordance with these Standard Contract Terms and Conditions - SAP:

**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: a) the date the Contract has been fully executed by the Contractor and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained or b) the date referenced in the Contract, whichever is later. The Contract shall not be a legally binding contract until after the fully-executed Contract has been sent to the Contractor.

The fully executed Contract shall not contain "ink" signatures by the Commonwealth. The Contractor understands and agrees that the receipt of an electronically-printed Contract with the printed name of the Commonwealth purchasing agent constitutes a valid, binding contract with the Commonwealth. The printed name of the purchasing agent on the Contract represents the signature of that individual who is authorized to bind the Commonwealth to the obligations contained in the Contract. The printed name also represents that all approvals required by Commonwealth contracting procedures have been obtained.

The Contractor shall not start performance until all of the following have occurred: a. the Effective Date has arrived; b. the Contractor has received a copy of the fully-executed Contract; and c. the Contractor has received a Purchase Order. The Commonwealth shall not be liable to pay the Contractor for any supply furnished or work performed or expenses incurred before the Effective Date or before the Contractor receives a copy of the fully-executed Contract or before the Contractor has received a Purchase Order. Except as otherwise provided in Paragraph 3, no Commonwealth employee has the authority to verbally direct the commencement of any work or delivery of any supply under this Contract prior to the Effective Date.

**2. PURCHASE ORDERS**

The Commonwealth may issue Purchase Orders against the Contract. These orders constitute the Contractor's authority to make delivery. All Purchase Orders received by the Contractor up to and including the expiration date of the Contract are acceptable and must be performed in accordance with the Contract. Contractors are not permitted to accept Purchase Orders which require performance extended beyond those performance time periods specified in the Contract but in no event longer than ninety (90) days after the expiration date of the Contract period. Each Purchase Order will be deemed to incorporate the terms and conditions set forth in the Contract.

Purchase Orders will not include an "ink" signature by the Commonwealth. The electronically-printed name of the purchaser represents the signature of that individual who has the authority, on behalf of the Commonwealth, to authorize the Contractor to proceed.

Purchase Orders may be issued electronically or through facsimile equipment. The electronic transmission of a purchase order shall require acknowledgement of receipt of the transmission by the Contractor. Receipt of the electronic or facsimile transmission of the Purchase Order shall constitute receipt of an order. Orders received by the Contractor after 4:00 p.m. will be considered received the following business day.

The Commonwealth and the Contractor specifically agree as follows:

- a. No handwritten signature shall be required in order for the Contract or Purchase Order to be legally enforceable.
- b. Upon receipt of a Purchase Order, the Contractor shall promptly and properly transmit an acknowledgement in return. Any order which is issued electronically shall not give rise to any obligation to deliver on the part of the Contractor, or any obligation to receive and pay for delivered products on the part of the Commonwealth, unless and until the Commonwealth transmitting the order has properly received an acknowledgement.

- c. The parties agree that no writing shall be required in order to make the order legally binding, notwithstanding contrary requirements in any law. The parties hereby agree not to contest the validity or enforceability of a genuine Purchase Order or acknowledgement issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements be in writing and signed by the party bound thereby. Any genuine Purchase Order or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of genuine Purchase Orders or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the order or acknowledgement were not in writing or signed by the parties. A purchase order or acknowledgment shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.
- d. Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

Purchase Orders under five thousand dollars (\$5,000) in total amount may also be made in person or by telephone using a Commonwealth Procurement VISA Card. When an order is placed by telephone, the Commonwealth agency shall provide the agency name, employee name, credit card number, and expiration date of the card. Contractors agree to accept payment through the use of the Commonwealth Procurement VISA card.

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. This will be utilized to prevent a lapse in Contract coverage and only for the time necessary, up to three (3) months, to enter into a new contract.

### **3. INDEPENDENT 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.

### **4. 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.

### **5. ENVIRONMENTAL PROVISIONS**

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

### **6. POST-CONSUMER RECYCLED CONTENT**

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

### **7. COMPENSATION**

- a. The Contractor shall be required to perform at the price(s) quoted in the Contract. All items shall be performed within the time period(s) specified in the Contract. The Contractor shall be compensated only for items supplied and 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.
- b. Unless the Contractor has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Contractor shall send an **invoice itemized by purchase order line item** to the address referenced on the Purchase Order promptly after

items are satisfactorily delivered. The invoice should include only amounts due under the Contract/Purchase Order. The Purchase Order number must be included on all invoices. In addition, the Commonwealth shall have the right to require the Contractor to prepare and submit a "Work In Progress" sheet that contains, at a minimum, the tasks performed, number of hours, hourly rates, and the purchase order or task order to which it refers.

## 8. PAYMENT

- a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the 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.

## 9. TAXES

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

#### **10. 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.

#### **11. 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.

#### **12. OWNERSHIP RIGHTS**

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

#### **13. 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.

#### **14. HOLD HARMLESS PROVISION**

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

#### **15. AUDIT PROVISIONS**

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the 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.

#### **16. INSPECTION AND REJECTION**

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.

#### **17. DEFAULT**

- a. The Commonwealth may, subject to the provisions of Paragraph 18, Force Majeure, 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 Paragraph 19, Termination Provisions) 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; or
  - 15) Breach of any provision of the Contract.
- 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 Issuing Office, 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 Paragraph 20, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

## **18. 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.

## 19. 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 for 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 Paragraph 17, Default, 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 the Subparagraph 19.a.

## 20. 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.
- b. 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.

## 21. ASSIGNABILITY AND SUBCONTRACTING

- a. Subject to the terms and conditions of this Paragraph 21, 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 maybe 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 b 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.

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

During the term of the Contract, the Contractor agrees as follows:

- a. In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under the Contract or any subcontract, the Contractor, subcontractor or any person acting on behalf of the Contractor or subcontractor shall not by reason of gender, race, creed, or color discriminate 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 against or intimidate any employee involved in the manufacture of supplies, the performance of work or any other activity required under the Contract on account of gender, race, creed, or color.
- c. The Contractor and any subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined
- d. The Contractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contract relates.
- e. The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to its books, records, and accounts by the contracting officer and the Department of General Services' Bureau of Contract Administration and Business Development for purposes of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting officer or the Bureau of Contract Administration and Business Development



- f. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.
- g. 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.

### 23. CONTRACTOR INTEGRITY PROVISIONS

- a. For purposes of this clause only, the words "confidential information," "consent," "contractor," "financial interest," and "gratuity" shall have the following definitions.
  - 1) **Confidential information** means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with the Commonwealth.
  - 2) **Consent** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this agreement.
  - 3) **Contractor** means the individual or entity that has entered into the Contract with the Commonwealth, including directors, officers, partners, managers, key employees and owners of more than a five percent interest.
  - 4) **Financial interest** means:
    - a) Ownership of more than a five percent interest in any business; or
    - b) Holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.
  - 5) **Gratuity** means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.
- b. The Contractor shall maintain the highest standards of integrity in the performance of the Contract and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth.
- c. The Contractor shall not disclose to others any confidential information gained by virtue of the Contract.
- d. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly, or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Commonwealth.
- e. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, give, or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Commonwealth.
- f. Except with the consent of the Commonwealth, neither the Contractor nor anyone in privity with him or her shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under the Contract except as provided therein.

- g. Except with the consent of the Commonwealth, the Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project.
- h. The Contractor, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the Commonwealth in writing.
- i. The Contractor, by execution of the Contract and by the submission of any bills or invoices for payment pursuant thereto, certifies, and represents that he or she has not violated any of these provisions.
- j. The Contractor, upon the inquiry or request of the Inspector General of the Commonwealth or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to the Contractor's integrity or responsibility, as those terms are defined by the Commonwealth's statutes, regulations, or management directives. Such information may include, but shall not be limited to, the Contractor's business or financial records, documents or files of any type or form which refers to or concern the Contract. Such information shall be retained by the Contractor for a period of three years beyond the termination of the Contract unless otherwise provided by law.
- k. For violation of any of the above provisions, the Commonwealth may terminate this and any other agreement with the Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another Contractor to complete performance hereunder, and debar and suspend the Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or nonuse 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.

#### **24. CONTRACTOR RESPONSIBILITY PROVISIONS**

- a. The Contractor certifies, for itself and all its subcontractors, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any subcontractors, nor any suppliers 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, a written explanation of why such certification cannot be made.
- b. The Contractor also certifies, that as of the date of its execution of this Bid/Contract, it has no tax liabilities or other Commonwealth obligations.
- 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 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, which 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

## 25. 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.

## 26. 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 4 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.

## **27. 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.

## 28. 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.

## 29. INTEGRATION

The RFQ - Invitation For Bids form, the Contract form, including all referenced documents, and any Purchase Order 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. All such amendments will be made using the appropriate Commonwealth form.

## 30. 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 Paragraph 19, "Contract Controversies".

**EXHIBIT A-1  
 CONSTRUCTION PRODUCTS  
 RECYCLED CONTENT**

**(A) REQUIREMENT**

All construction products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Construction Products	Material	% of Post-Consumer Materials	% of Total Recovered Materials
Structural Fiberboard	Recovered Materials	-	80
Laminated Paperboard	Post-consumer Paper	100	-
Rock Wool Insulation	Slag	-	75
Fiberglass Insulation	Glass Cullet	-	20
Cellulose Insulation (loose-fill and spray-on)	Post-consumer Paper	75	-
Perlite Composite Board Insulation	Post-consumer Paper	23	-
Plastic Rigid Foam, Polyisocyanurate/ Polyurethane: Rigid Foam Insulation	Recovered Material	-	9
Foam-in-Place Insulation	Recovered Material	-	5
Glass Fiber Reinforced Insulation	Recovered Material	-	6
Phenolic Rigid Foam Insulation	Recovered Material	-	5
Floor Tiles (heavy duty/commercial use)	Rubber	90	-
	Plastic	-	90
Patio Blocks	Rubber or Rubber Blends	90	-
	Plastic or Plastic Blends	-	90
Polyester Carpet Fiber Face	Polyethylene terephthalate (PET) resin	25	-
Latex Paint: --Consolidated <sup>1</sup> --Reprocessed <sup>2</sup> ----White, Off-White, Pastel Colors ----Grey, Brown, Earthtones, and Other Dark Colors	Recovered Material	100	-
	Recovered Material	20	-
	Recovered Material	50	-
Shower and Restroom Dividers/Partitions:	Plastic	20	-
	Steel <sup>4</sup>	16	9
		67	33
Carpet Cushion: --Bonded Polyurethane --Jute --Synthetic Fibers --Rubber	Old Carpet Cushion	15	-
	Burlap	40	-
	Carpet Fabrication Scrap	-	100
	Tire Rubber	60	-
Railroad Grade Crossing Surfaces --Concrete --Rubber <sup>3</sup> --Steel <sup>4</sup>	Coal Fly Ash	-	15
	Tire Rubber	-	85
	Steel	16	9
		67	33

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

<sup>1</sup> Consolidated latex paint used for covering graffiti, where color and consistency of performance are not primary concerns.

<sup>2</sup> Reprocessed latex paint used for interior and exterior architectural applications such as wallboard, ceiling, and trim; gutterboards; and concrete, stucco, masonry, wood, and metal surfaces.

<sup>3</sup>The recommended recovered materials content for rubber railroad grade crossing surfaces are based on the weight of the raw materials, exclusive of any additives such as binders or additives

<sup>4</sup> The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the construction product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the construction product(s), to provide the Commonwealth with documentary evidence that the construction product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-2  
VEHICULAR PRODUCTS  
RECYCLED CONTENT**

(A) **REQUIREMENT**

All vehicular products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Vehicular Product	Requirements
Re-Refined Oil	25% re-refined oil base stock for engine lubricating oils, hydraulic fluids, and gear oils.

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

"Re-refined oil" is oil that is manufactured with a minimum of twenty-five percent basestock made from used oil that has been recovered and processed to make it reusable as oil. Once the oil has been refined, no difference can be detected between re-refined and virgin oil.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the vehicular product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE REFERENCED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the vehicular product(s), to provide the Commonwealth with documentary evidence that the vehicular product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.



**EXHIBIT A-3  
 PAPER PRODUCTS  
 RECYCLED CONTENT**

(A) **REQUIREMENT**

All paper offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer content as shown below for the applicable products:

Item	Notes	Post-Consumer Content (%)
<b>Printing and Writing Papers</b>		
Reprographic	Business papers such as bond, electrostatic, copy, mimeo, duplicator and reproduction	30
Offset	Used for book publishing, commercial printing, direct mail, technical documents, and manuals	30
Tablet	Office paper such as note pads and notebooks	30
Forms bond	Bond type papers used for business forms such as continuous, cash register, sales book, unit sets, and computer printout, excluding carbonless	30
Envelope	Wove Kraft, white and colored (including manila) Kraft, unbleached Excludes custom envelopes	30 10 10
Cotton fiber	High-quality papers used for stationery, invitations, currency, ledgers, maps, and other specialty items	30
Text and cover	Premium papers used for cover stock, books, and stationery and matching envelopes	30
Supercalendered	Groundwood paper used for advertising and mail order inserts, catalogs, and some magazines	10
Machine finished groundwood	Groundwood paper used in magazines and catalogs	10
Papeteries	Used for invitations and greeting cards	30
Check safety	Used in the manufacture of commercial and government checks	10
Coated	Used for annual reports, posters, brochures, and magazines. Have gloss, dull, or matte finishes	10
Carbonless	Used for multiple-impact copy forms	30
File folders	Manila or colored	30
Dyed filing products	Used for multicolored hanging folders and wallet files	20
Index and card stock	Used for index cards and postcards	20
Pressboard	High-strength paperboard used in binders and report covers	20
Tags and tickets	Used for toll and lottery tickets, licenses, and	20

	identification and tabulating cards	
<b>Newsprint</b>		
Newsprint	Groundwood paper used in newspapers	20
<b>Commercial Sanitary Tissue Products</b>		
Bathroom tissue	Used in rolls or sheets	20
Paper towels	Used in rolls or sheets	40
Paper napkins	Used in food service applications	30
Facial tissue	Used for personal care	10
General-purpose industrial wipers	Used in cleaning and wiping applications	40
<b>Paperboard and Packaging Products</b>		
Corrugated containers (<300 psi) (300 psi)	Used for packaging and shipping a variety of goods	25 25 40
Solid fiber boxes	Used for specialized packaging needs such as dynamite packaging and army ration boxes	40
Folding cartons	Used to package a wide variety of foods, household products, cosmetics, pharmaceuticals, detergent, and hardware	40
Industrial paperboard	Used to create tubes, cores, cans and drums	45
Miscellaneous	Includes "chipboard" pad backings, book covers, covered binders, mailing tubes, game boards, and puzzles	75
Padded mailers	Made from kraft paper that is usually brown but can be bleached white	5
Carrierboard	A type of folding carton designed for multipack beverage cartons	10
Brown papers	Used for bags and wrapping paper	5
<b>Miscellaneous Paper Products</b>		
Tray liners	Used to line food service trays. Often contain printed information.	50

"Post-consumer" content is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer content is part of the broader category of recovered material."

The Commonwealth of Pennsylvania recognizes that paper products are universally made with scrap material recovered from the manufacturing process; use of such materials is a standard practice, both efficient and economical for the paper maker; therefore, bidders of paper products need not certify that their products are made with "pre-consumer," "recovered," or "secondary" paper fiber.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the paper product(s) which the bidder is offering contains the required minimum percentage of post-consumer content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a mill certification must be completed and signed by the mill before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the paper product(s), to provide the Commonwealth with documentary evidence that the paper product(s) were in fact produced with the required minimum percentage of post-consumer content.

**EXHIBIT A-4  
 LANDSCAPING PRODUCTS  
 RECYCLED CONTENT**

**(A) REQUIREMENT**

All landscaping products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Landscaping Products	Recovered Material Content
Hydraulic Mulch: -----Paper -----Wood/Paper	100% (post-consumer) 100% (total)
Compost Made From Yard Trimmings and/or Food Waste	Purchase or use compost made from yard trimmings, leaves, grass clippings and/or food wastes for applications such as landscaping, seeding of grass or other plants, as nutritious mulch under trees and shrubs, and in erosion control and soil reclamation. DGS further recommends implementing a composting system for these materials when agencies have an adequate volume and sufficient space.
Garden Hose: -----Rubber and/or Plastic	60% (post-consumer)
Soaker Hose: -----Rubber and/or Plastic	60% (post-consumer)
Lawn and Garden Edging: -----Rubber and/or Plastic	30% (post-consumer)/30-100% (total)
Landscaping Timber and Posts: -----HDPE -----Mixed Plastics/Sawdust -----HDPE/Fiberglass -----Other mixed Resins	25% (post-consumer) + 50% (recovered) 50% (post-consumer) + 50% (recovered) 75% (post-consumer) + 20% (recovered) 50% (post-consumer) + 45% (recovered)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

**(B) BIDDER'S CERTIFICATION**

Bidder certifies that the landscaping product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

**(C) MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

**(D) ENFORCEMENT**

Awarded bidders may be required, after delivery of the landscaping product(s), to provide the Commonwealth with documentary evidence that the landscaping product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-5  
 MISCELLANEOUS PRODUCTS  
 RECYCLED CONTENT**

**(A) REQUIREMENT**

All miscellaneous products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Miscellaneous Products	Recovered Material Content
Awards and Plaques -----Glass -----Wood -----Paper -----Plastic and Plastic/Wood Composites	75% (post-consumer) + 25% (recovered) 100% (total) 40% (post-consumer) 50% (post-consumer) + 45% (recovered)
Industrial Drums -----Steel <sup>1</sup> -----Plastic (HDPE) -----Fiber (paper)	16% (post-consumer) + 9% (recovered) 30% (post-consumer) 100% (post-consumer)
Mats -----Rubber -----Plastic -----Rubber/Plastic Composite	75% (post-consumer) +10% (recovered) 10% (post-consumer) + 90% (recovered) 100% (post-consumer)
Pallets -----Wood -----Plastic -----Thermoformed -----Paperboard	95% (post-consumer) 100% (post-consumer) 25% (post-consumer) 50% (post-consumer)
Signage -----Plastic -----Aluminum -----Plastic Sign Posts/Supports -----Steel Sign Posts/Supports <sup>2</sup>	80% (post-consumer) 25% (post-consumer) 80% (post-consumer) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered)
Sorbents -----Paper -----Textiles -----Plastics -----Wood <sup>3</sup> -----Other Organics/Multimaterials <sup>4</sup>	90% (post-consumer) +10% (recovered) 95% (post-consumer) 25% (total) 100% (total) 100% (total)
Manual-Grade Strapping -----Polyester -----Polypropylene -----Steel <sup>2</sup>	50% (post-consumer) 10% (total) 16% (post-consumer) +9% (recovered) 67% (post-consumer) +33% (recovered)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

<sup>1</sup>Steel used in steel drums is manufactured using the Basic Oxygen Furnace (BOF) process, which contains 25-30% total recovered material, of which 16% is post-consumer steel. Steel used in manual-grade strapping is manufactured using either the BOF process or the Electric Arc Furnace (EAF) process, which contains 100% total recovered materials, of which 67% is post-consumer steel.

<sup>2</sup>The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured in either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

<sup>3</sup>"Wood" includes materials such as sawdust and lumber mill trimmings.

<sup>4</sup>Examples of other organics include, but are not limited to, peanut hulls and corn stover. An example of multimaterial sorbents would include, but not be limited to, a polymer and cellulose fiber combination.

<sup>2</sup>The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured in either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the miscellaneous product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the miscellaneous product(s), to provide the Commonwealth with documentary evidence that the miscellaneous product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-6  
 NONPAPER OFFICE PRODUCTS  
 RECYCLED CONTENT**

(A) **REQUIREMENT**

All nonpaper office products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

<b>Nonpaper Office Product</b>	<b>Recovered Material Content</b>
Recycling Containers and Waste Receptacles: -----Plastic -----Steel <sup>1</sup> -----Paper -----Corrugated -----Solid Fiber Boxes -----Industrial Paperboard	20% (post-consumer) 16% (post-consumer) +9% (recovered)  25% (post-consumer) 40% (post-consumer) 40% (post-consumer) + 60% (recovered)
Plastic Desktop Accessories (polystyrene) including desk organizers, sorters, and trays, and memo, note, and pencil holders.	25% (post-consumer)
Binders: -----Plastic-Covered -----Paper-Covered -----Pressboard -----Solid Plastic -----HDPE -----PE -----PET -----Misc. Plastics	25% 75% (post-consumer) +15% (recovered) 20% (post-consumer) + 30% (recovered)  90% (post-consumer) 30% (post-consumer) 100% (post-consumer) 80% (post-consumer)
Trash Bags (plastic)	10% (post-consumer)
Toner Cartridges	Return used toner cartridges for remanufacturing and reuse or purchase a remanufactured or recycled-content replacement cartridge.
Printer Ribbons	Procure printer ribbon reinking or reloading services or procure reinked or reloaded printer ribbons.
Plastic Envelopes	25% (post-consumer)
Plastic Clipboards: -----HDPE -----PS -----Misc. Plastics	90% (post-consumer) 50% (post-consumer) 15% (post-consumer)
Plastic File Folders -----HDPE	90% (post-consumer)
Plastic Clip Portfolios -----HDPE	90% (post-consumer)
Plastic Presentation Folders -----HDPE	90% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

<sup>1</sup> The recommended recovered materials content levels for steel in this table reflect the fact that the designated item is made from steel manufactured from in a Basic Oxygen Furnace (BOF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel.

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the nonpaper office products which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the paper, to provide the Commonwealth with documentary evidence that the nonpaper office product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.



**EXHIBIT A-7  
 PARK & RECREATION PRODUCTS  
 RECYCLED CONTENT**

**(A) REQUIREMENT**

All park and recreation products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

<b>Park &amp; Recreation Product</b>	<b>Recovered Material Content<sup>1</sup></b>
Park Benches & Picnic Tables: -----Plastic <sup>2</sup> -----Plastic Composites -----Aluminum -----Concrete -----Steel <sup>3</sup>	90% (post-consumer) + 10% (recovered) 50% (post-consumer) + 50% (recovered) 25% (post-consumer) 15% (total) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered)
Plastic Fencing for Specified Uses <sup>4</sup>	60% (post-consumer) + 30% (recovered)
Playground Equipment -----Plastic <sup>3</sup> -----Plastic Composites -----Steel <sup>4</sup> -----Aluminum	90% (post-consumer) + 10% (recovered) 50% (post-consumer) + 45% (recovered) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered) 25% (post-consumer)
Playground Surfaces: -----Plastic or Rubber	90% (post-consumer)
Running Tracks: -----Plastic or Rubber	90% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

**(B) BIDDER'S CERTIFICATION**

Bidder certifies that the park and recreational product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

**(C) MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

**(D) ENFORCEMENT**

Awarded bidders may be required, after delivery of the park and recreational product(s), to provide the Commonwealth with documentary evidence that the park and recreational product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

<sup>1</sup> The recommended recovered materials content levels are based on the dry weight of the raw materials, exclusive of any additives such as adhesives, binders, or coloring agents.

<sup>2</sup> "Plastic" includes both single and mixed plastic resins. Park benches and picnic tables made with recovered plastic may also contain other recovered materials such as sawdust, wood, or fiberglass. The percentage of these materials contained in the product would also count toward the recovered materials content level of the item.

<sup>3</sup> The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (AF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

<sup>4</sup> Designation includes fencing containing recovered plastic for use in controlling snow or sand drifting and as a warning/safety barrier in construction or other applications.

**EXHIBIT A-8  
 TRANSPORTATION PRODUCTS  
 RECYCLED CONTENT**

**(A) REQUIREMENT**

All transportation products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

<b>Transportation Products</b>	<b>Recovered Material Content<sup>1</sup></b>
Traffic Cones: ----Plastic (PVC and LDPE) ----Crumb Rubber	50% (recovered) 50% (recovered)
Traffic Barricades (type I and II only): ----Plastic (HDPE, LDPE, PET) ----Steel <sup>2</sup> ----Fiberglass	80% (post-consumer) + 20% (recovered) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered) 100% (recovered)
Parking Stops: ----Plastic and/or Rubber ----Concrete Containing Coal Fly Ash ----Concrete Containing Ground Granulated Blast Furnace Slag	100% (recovered) 20% (recovered) 15% when used as a partial cement replacement as an admixture in concrete. 25% (recovered)
Traffic Control Devices: ----Channelizers: -----Plastic -----Rubber (base only) ----Delineators: -----Plastic -----Rubber (base only) -----Steel (base only) <sup>2</sup> ----Flexible Delineators	25% (post-consumer) 100% (post-consumer) 25% (post-consumer) 100% (post-consumer) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered) 25% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

**(B) BIDDER'S CERTIFICATION**

Bidder certifies that the transportation product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

**(C) MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

**(D) ENFORCEMENT**

Awarded bidders may be required, after delivery of the transportation product(s), to provide the Commonwealth with documentary evidence that the transportation product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

<sup>1</sup> Content levels are based on the dry weight of the raw materials, exclusive of any additives such as adhesives, binders, or coloring agents.

<sup>2</sup> The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

**MANUFACTURER/MILL CERTIFICATION**

(To be submitted with invoice for each order)

TO BE COMPLETED BY MANUFACTURER/MILL:

NAME OF MANUFACTURER/MILL: \_\_\_\_\_

ADDRESS OF MANUFACTURER/MILL: \_\_\_\_\_

FEDERAL EMPLOYER I.D. NO.: \_\_\_\_\_

CONTRACT OR REQUISITION NO. \_\_\_\_\_

NAME OF CONTRACTOR: \_\_\_\_\_

ADDRESS OF CONTRACTOR: \_\_\_\_\_

Type of product(s) which the manufacturer/mill furnished to the contractor: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**CERTIFICATION:** I, the undersigned officer of the above-named manufacturer/mill, do hereby certify that I am authorized to provide this certification on behalf of the above-named manufacturer/mill and that the type of product(s) listed above which my company furnished to the contractor named above for the referenced contract or purchase requisition, contained not less than \_\_\_\_\_% post-consumer materials and \_\_\_\_\_% recovered materials as those terms are defined in the invitation for bids. I understand that this document is subject to the provisions of the Unsworn Falsification of Authorities Act (18 P.S. Section 4904).

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Signatory

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**ADDITIONAL CONTRACT TERMS AND CONDITIONS**

**1. DEFINITIONS.**

- A. **Contracting Officer.** When the Department has received delegation from the Department of General Services to act as the purchasing agency, the sole person designated to act for the Department in the processing of this Contract and receipt of written notices of controversy or claims pertaining to the Contract. The person so designated is the Deputy Secretary for Administration or his or her designee.
- B. **Project Officer.** The person designated to act for the Department in otherwise administering this Contract.
- C. **Department.** The Pennsylvania Department of Health.

**2. INSURANCE AND TAXES.**

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

**3. SUBCONTRACT APPROVALS.**

The officials who are authorized to give approval for the Department in regard to subcontracting, are the Secretary, the appropriate Deputy Secretary, the Contracting Officer or the Project Officer. Any such approval must be in writing to be valid.

**4. OTHER CONTRACTORS.**

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

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

**5. AVAILABILITY OF INFORMATION.**

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

**6. FISCAL AND PROGRAM RECORDS.**

- A. Contractor agrees to maintain program records required by the Department and agrees that a program and facilities review, including meetings with consumers, review of service records, review of service policy and procedural issuances, review of staffing ratios and job descriptions, and meetings with any staff directly or indirectly involved in the provision of services may be conducted at any reasonable time by State and Federal personnel and other persons duly authorized by the Department.
- B. Contractor agrees to maintain program statistical records required by the Department to produce program narrative and statistical data at times prescribed by, and on forms furnished by the Department.

- C. Contractor agrees to maintain books, records, documents, sub-contracts and other evidence pertaining to the costs and expenses of this Agreement (hereinafter referred to in this paragraph 6 as "the records"), to the extent and in such detail as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services and other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this contract. If Contractor is not a public body, Contractor agrees to maintain books, records, documents and other evidence in accordance with accounting procedures and practices which meet generally accepted accounting principles.
- D. If this Agreement provides funding for a clinic or program which receives income or funding other than directly through this Agreement (such as, but not limited to, third party reimbursement for patients), Contractor agrees that all parts of this paragraph 6 of these Standard General Terms and Conditions shall also apply to Contractor's records pertaining to such other sources of funding or income supporting the clinic or program.
- E. Contractor agrees to make available at the Office of the Contractor at all reasonable times during the term of this Agreement and the period set forth in Paragraph 7 below, any of the records for inspection, audit or reproduction by any authorized representative of the Department, the Department's Comptroller, the Auditor General, the Inspector General or Federal auditors.
- F. The provisions of this paragraph 6 shall be applicable to and included in each sub-contract entered into by the Contractor in the performance of this Agreement. The term "sub-contract" as used in this paragraph excludes purchase orders not exceeding \$1,000 and sub-contracts or purchase orders for public utility services at rates established for uniform applicability to the general public.
- G. Contractor agrees to collect statistical data of a fiscal nature on a regular basis and to make fiscal statistical reports at times prescribed by, and on forms furnished by the Department.

## **7. RECORD RETENTION REQUIREMENTS.**

All records kept pursuant to Paragraph 6 shall be retained pursuant to the provisions of this Paragraph 7.

- A. The Contractor shall preserve and make available its records for a period of four years from the date of final payment under this Agreement, and for such period, if any, as is required by applicable statute, by any other paragraph of this Agreement, or by sub-paragraphs (1) or (2) below.
  - (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any resulting final payment.
  - (2) Records which relate to litigation or the settlement of claims arising out of the performance of this Agreement, or costs and expenses of this Agreement as to which exception has been taken by the auditors, shall be retained by the Contractor until such litigation, claims, or exceptions have been disposed of.
- B. Except for the records described in sub-paragraph A (2) above, the Contractor may, in fulfillment of its obligation to retain its records as required by this paragraph, substitute photographs, microphotographs, or other authentic reproductions of such records, after the expiration of two years following the last day of the month of reimbursement to the Contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Department, with the concurrence of the auditors.

## **8. EVALUATION COMPONENT.**

All work performed under this contract shall include an evaluation component. Contractor agrees to collect, maintain and provide data for evaluation purposes as specified in the Work Statement and in any other provisions of this Contract.

## **9. FEDERAL FUNDS.**

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

**10. QUALITY ASSURANCE.**

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

**11. PROGRAM CHANGES.**

The Project Officer may at any time, by written order, make changes in the statement of work, provided such changes are within the general scope of the statement of work and provided further that the total cost of this Agreement is not exceeded. The Project Officer and the Contractor shall mutually determine whether the ordered changes can be accomplished within the total contract cost and the extent of change, if any, in delivery schedules required by the ordered changes. The Project Officer may not change the scope of work or increase the total cost of this Agreement.

**12. WRITTEN COMMITMENT.**

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

**13. KEY PERSONNEL.**

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

**14. INSPECTION AND ACCEPTANCE.**

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

**15. TRAVEL AND SUBSISTENCE COSTS.**

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

**16. DATA, COPYRIGHTS, AND DISCLOSURE.**

- A. Definition: The term "data," as used herein, includes but is not necessarily limited to written reports and analyses, diagrams, maps, system designs, computer programs, flow charts, punched card decks, magnetic tapes, diskettes, drawings, studies, manuals, brochures, advertisements, documents, sketches, papers, files, information, computer documentation, other tangible materials, and work of any similar nature which is required to be performed by or for the Contractor under this Contract or which is incidentally prepared by or for the Contractor in the performance of this Contract. Data includes background material prepared by or for the Contractor incidental to the performance of this Contract. Background material is defined as original work papers, notes, and drafts prepared by or for the Contractor to support conclusions in any final report or product delivered under this Contract, including but not limited to completed questionnaires, and material in electronic data processing form, computer programs, and other tangible materials produced by or for the Contractor during the term of

this Contract and directly related to the services being rendered. It does not include Contractor's financial reports or other information incidental to Contract administration.

- B. **Preexisting Materials Brought by Contractor to the Project:** The Department shall have no ownership rights to Contractor's proprietary materials, data, software, methodologies or other intellectual property that Contractor brings to the Project or has previously developed with or obtained from third parties. Notwithstanding the foregoing provision, where materials brought by the Contractor to the Project are necessary to use the deliverables required under this Contract, the Contractor shall, and hereby effectively does, grant to the Department a paid-up, nonexclusive, nontransferable license to use, modify, prepare derivative works, and to grant to third parties engaged by the Commonwealth the right to use, modify, and prepare derivative works, from all or any portion of the material brought by the Contractor to the Project.
- C. **Ownership of Data:** Any Data that fits the definition of "work made for hire," as that term is defined in United States copyright law, shall be considered a "work made for hire." All rights to these Data shall vest in the Department, which shall have sole and exclusive ownership of all Data. In the event that such Data do not fall within the specifically enumerated works that constitute "works made for hire" under the United States copyright laws, Contractor agrees to assign and, upon their authorship or creation, expressly and automatically assigns all copyright interests, proprietary rights, trade secrets, and other right, title and interest in and to such Data to the Department. The Department shall have the rights accorded a holder of copyright under the United States copyright laws including, but not limited to, the exclusive right to reproduce the Data in copies, the right to distribute copies by sale or other transfers, the right to register all copyrights in its own name as author in the United States and foreign countries, the right to prepare derivative works based upon the Data, and the right to display the Data. Upon completion or termination of this Agreement, Contractor shall immediately deliver all working papers, files, background material, and other documentation to the Department. Contractor warrants that the Data are original and do not infringe the rights of any other work.
- D. **Forms Approval:** All forms, questionnaires, survey instruments, etc., developed under this Agreement shall be subject to prior written approval by the Department.
- E. **Data Processing:** All computer programs, tapes, and software developed under this Agreement, and any data or information provided to the Department by diskette or electronic means, shall be compatible with Department computer systems. Specifications, if not included elsewhere in this Agreement, may be obtained from the Project Officer.
- F. **Federal Government Interests:** It is understood that certain funding under this Agreement may be provided by the Federal Government. Accordingly, the rights to Data of Contractors or subcontractors hereunder will be further subject to government rights as set forth in 37 C.F.R. Section 401, and other applicable statutes. Notwithstanding the foregoing, the Department retains the right to share information with the Federal Government relating to Data developed under a wholly state-funded Contract.
- G. **Defense of Infringement Claim:** The Contractor shall hold the Commonwealth harmless for any suit or proceeding brought against the Commonwealth, including the Department, or their officials or employees, on account of any alleged infringement of any United States or foreign copyrights, patents, trademarks, or trade secrets arising out of the performance of this Agreement, including any suit or proceeding relating to all work, services, materials, reports, studies and computer programs provided by the Contractor. The Contractor shall pay all damages and costs awarded therein against the Commonwealth. Pursuant to the Commonwealth Attorney's Act 71 P.S. § 732 – 101, et seq., the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under the terms it deems appropriate, delegate its right of defense. If information and assistance are furnished by the Commonwealth at Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written request. If any of the data, materials, reports, studies or computer programs provided by the Contractor are held to constitute infringement, and the use of publication thereof is enjoined in such suit or proceeding, the Contractor shall, at its own expense and at its option, either procure the right to publish or continue use of such infringing data, materials, reports, studies or computer programs, replace them with non-

infringing items, or so modify them so that they are no longer infringing. If after a reasonable time and good faith effort, the Contractor is unable to comply with the requirements of the immediately

preceding sentence, the Contractor shall return to the Department that portion of contract funds expended by the Contractor in relation to the infringing item. The obligations of the Contractor under this paragraph continue without time limit.

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

#### **17. CONFIDENTIALITY, SENSITIVE DOCUMENTS AND INFORMATION.**

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

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

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

#### **19. ADDITIONAL TERMINATION PROVISION.**



In addition to any other termination provision in this Agreement, this Agreement may be canceled by either party upon 30 days advance written notice.

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

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

**21. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE.**

In addition to any nondiscrimination clause contained elsewhere within this Contract, Contractor agrees to the following:

- A. The Contractor and any subcontractors shall comply with any federal, state, or local law, as applicable, pertaining to nondiscrimination and equal opportunity in regard to its employees, applicants for employment, independent contractors, or any other person.
- B. In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under the Contract or any subcontract, the Contractor, subcontractor or any person acting on behalf of the Contractor or subcontractor shall not by reason of gender, race, creed, color, religion, age, sexual preference, handicap or national origin discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- C. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work or any other activity required under the Contract on account of gender, race, creed, color, religion, age, sexual preference, handicap or national origin.
- D. The Contractor shall not discriminate by reason of gender, race, creed, color, religion, age, sexual preference, handicap or national origin against any subcontractor or supplier who is qualified to perform the work to which the contract relates.
- E. The Contractor and any subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
- F. The Contractor and any subcontractors ensure that any services or benefits available to the public or other third parties by way of this Contract shall not be denied or restricted for such persons due to race, creed, color, religion, sex, sexual preference, age, handicap, or national origin (national origin protections include persons who are limited English proficient) consistent with the provisions of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act and The Age Discrimination Act of 1975 as well as applicable provisions of the Omnibus Reconciliation Act of 1981.
- G. The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to its books, records, and accounts by the contracting officer and the Department of General Services' Bureau of Contract Administration and Business Development for purposes of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting officer or the Bureau of Contract Administration and Business Development.
- H. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.

- I. 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.

**22. EQUAL OPPORTUNITY FOR THE HANDICAPPED.**

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

**23. GENERIC DRUGS.**

If under this Agreement the Contractor prescribes or dispenses drugs to consumers, it shall do so in accordance with Act 259 of November 24, 1976, P.L. 1163, 35 P.S. §960.1 et seq., as amended, and prescribe and dispense generically equivalent drugs rather than brand name drugs whenever possible.

**24. LAWS AND REGULATIONS.**

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

**25. DISPOSITION OF EQUIPMENT.**

- A. Contractor agrees to obtain all supplies and equipment for use in the performance of this Agreement at the lowest practicable cost and to purchase by means of a system of competitive bidding.
- B. Title to all property furnished by the Department shall remain with the Department. Title to all personal property acquired by the Contractor, including purchase by lease-purchase agreement, for the cost of which the Contractor is to be reimbursed under this Agreement, shall vest in the Contractor during the term of this Agreement. Upon cancellation or termination of this Agreement, such purchased personal property which has remaining useful life shall become the property of the Department, or at the election of and with written approval of the Department, may be disposed of by the Contractor in accordance with the following provisions:
  - (1) If the Contractor wishes to retain any items of such purchased property, both parties will arrange for an independent third-party appraisal of these property items and the Contractor will reimburse the Department for the value of the remaining life of the property on the basis of such appraisal. Unless otherwise agreed upon in writing by the Department, the Contractor shall be responsible for the cost of appraisal.
  - (2) Provided the Department is notified ten days in advance of the date of the sale and the Contractor has the prior written permission of the Department and the approval of the Governor's Office of Budget, Contractor may sell the property. Contractor shall reimburse the Department for the Department's appropriate share.
- C. All property furnished by the Department or personal property acquired by the Contractor, including purchase by lease-purchase agreement, for which the Contractor is to be reimbursed under this Agreement shall be deemed Commonwealth property for the purpose of sub-paragraphs D, E, and F of this paragraph.

- D. Contractor shall maintain and administer in accordance with sound business practices a program for the maintenance, repair, protection, preservation and insurance of Commonwealth property so as to assure its full availability and usefulness.
- E. The Commonwealth property and any property purchased under this Agreement shall, unless otherwise provided herein, or approved in writing by the Department and the Governor's Office of Budget, be used only for the performance of this Agreement.
- F. In the event that Contractor is indemnified, reimbursed or otherwise compensated for any loss or destruction of or damage to the Commonwealth's property, Contractor shall use the proceeds to repair, renovate or replace the Commonwealth property involved, or shall credit such proceeds against the cost of the work covered by the Agreement, or shall otherwise reimburse the Department as directed by the Department.
- G. Should the Contractor purchase equipment pursuant to this Agreement, the Contractor shall complete the Department's Equipment Inventory Form and return it to the Department with the Contractor's invoice which seeks reimbursement for such equipment under this Agreement. The Department will provide the Contractor with the form when this Agreement provides for the purchase of equipment.

**26. HUMAN RESEARCH.**

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

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

**A. Registration and Identification Information**

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

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

**B. Primary Location**

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

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

**C. Compensation of Officers**

Grantee must provide to the Commonwealth the names and total compensation of the five most highly compensated officers of the entity **if--**

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

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

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

**AUDIT REQUIREMENTS****I. INTRODUCTION**

The Department of Health (Department) provides Federal and state financial assistance to a variety of entities. Audit requirements may be either a Federal mandate or a Department mandate. **The audit requirements that are applicable to this contract are determined by the source(s) of the contract's funding as described in the following Sections of this Appendix.**

General audit provisions that are applicable to ALL contracts are described in Section VI of this Appendix.

**II. CONTRACTS FUNDED 100 PERCENT BY FEDERAL FUNDS - (Federally Mandated Audits)**

The audit requirement for contracts that are 100 percent federally funded is federally mandated and prescribed by *The Single Audit Act Amendments of 1996; Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (OMB Circular A-133), as amended*; and any other applicable law or regulation, and any amendment to such other applicable law or regulation which may be enacted or promulgated by the Federal government. The specific audit requirements of *OMB Circular A-133* are as follows:

**A. General Requirements**

If the contractor is a local government or non-profit organization and expends total Federal awards of \$500,000 or more during its fiscal year, received either directly from the Federal government or indirectly from a recipient of Federal funds, the contractor is required to have an audit made in accordance with the provisions of *OMB Circular A-133*.

**B. Minimum Audit Reporting Requirements**

The contractor must submit an electronic copy of the audit report package to the Commonwealth, which shall include:

1. Auditor's reports.
  - a. Independent auditor's report on the financial statements, which expresses an opinion on whether the financial statements are presented fairly in all material respects with conformity with the stated accounting policies.
  - b. Independent auditor's report on the supplementary Schedule of Expenditures of Federal Awards (SEFA), which should determine and provide an opinion on whether the SEFA is presented fairly in all material respects in relation to the subrecipient's financial statements taken as a whole. This report can be issued separately or combined with the independent auditor's report on the financial statements.
  - c. Report on internal control over financial reporting, compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
  - d. Report on compliance with requirements applicable to each major program and report on internal control in accordance with the circular.
  - e. Schedule of findings and questioned costs.
2. Financial statements and notes to the financial statements.
3. SEFA and notes to the SEFA.
4. Summary schedule of prior audit findings.
5. Corrective action plan (if applicable).

6. Data collection form.
7. Management letter (if applicable).

While not required by *OMB Circular A-133*, it is recommended that either the SEFA or the notes to the SEFA provide the following information to make the schedule easier to use:

- Grant Period Beginning/Ending Date
- Program or Award Amount
- Total Received During the Year
- Accrued or (Deferred) Revenue at Beginning of Year
- Revenue Recognized
- Accrued or (Deferred) Revenue at End of Year

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

### **C. Submission of Audit Reports**

Effective July 1, 2009, the Office of the Budget, Office of Comptroller Operations, Bureau of Audits will begin accepting electronic submission of single audit/program-specific audit reporting packages. Electronic submission is required for the fiscal year ending December 31, 2008 and subsequent years. Instructions and information regarding submission of the single audit/program-specific audit reporting package are available to the public on Single Audit Submissions page of the Office of the Budget website (<http://www.budget.state.pa.us>). The reporting package must be submitted electronically in single Portable Document Format (PDF) file to [RA-BOASingleAudit@state.pa.us](mailto:RA-BOASingleAudit@state.pa.us).

#### **Steps for submission:**

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

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

### **III. CONTRACTS FUNDED 100 PERCENT BY STATE FUNDS - (Department Mandated Audits)**

The audit requirement for contracts that are 100 percent state funded is Department mandated. The specific audit requirements of Department mandated audits are as follows:

#### **A. General Requirements**

The contractor shall have an audit performed when it expends \$500,000 or more of state funds under this contract during the state fiscal year (i.e., July 1 through June 30), unless notified in writing by the Department prior to the termination of the applicable audit period that the audit requirement has been waived. If the contract or any successive period is for a period shorter than the state fiscal year, but the contract amount expended by the contractor during said period includes \$500,000 or more of state funds, the contractor is also required to have an audit performed for the entire contract or successive period, unless notified in writing by the Department prior to the termination of the applicable audit period that the audit requirement has been waived.

When the contractor is required to have a Department mandated audit performed, it must be a financial audit made in accordance with the provisions of generally accepted government auditing standards (GAGAS) issued in the U.S. Government Accountability Office's *Government Auditing Standards* ("Yellow Book"), latest revision as of the time of the audit; the audit requirements of the laws and regulations governing the program(s) in which the contractor participates; and the terms of this contract. With the written consent of the Department, the contractor may be permitted to vary the audit period for these audits.

The costs of Department mandated audits shall be reimbursed by the Department **when said costs are specifically budgeted in the contract's budget as audit expenses.**

#### **B. Minimum Audit Reporting Requirements**

When a program-specific audit is performed, the audit report must include the following at a minimum:

1. A separate Schedule of Contractual Performance, which shall reflect the contract's budget and reporting period and include a comparison of budgeted to actual expenditures/services, must be prepared for each contract the contractor includes in the program-specific audit. Said schedule(s) must reconcile to the state fiscal year(s) affected.
2. Notes to the financial schedule(s). The following must be included:
  - a. Definition of the reporting entity
  - b. Summary of significant accounting policies used in preparing the schedule(s)
  - c. Other informative disclosures (as necessary)
3. Auditor's report on the financial schedule(s) and any additional schedules required in the terms of this contract. The report must identify each contract included in the program-specific audit by its Department contract number.
4. Auditor's report on internal control, including (where applicable) references to contract requirements and Department audit guidance. The report must identify each contract included in the program-specific audit by its Department contract number. This report shall describe the scope of testing of internal control and the results of the tests, and, where applicable, refer to the separate Schedule of Findings and Questioned Costs described below.
5. Auditor's report on compliance with laws, regulations, and the provisions of this contract, noncompliance with which could have a material effect on the financial schedules. The report must identify each contract included in the program-specific audit by its Department contract number. This report shall include (where applicable) references to contract requirements and Department audit guidance.
6. Schedule of Findings and Questioned Costs (if applicable). This schedule shall include the views of responsible officials of the contractor concerning the auditors' findings, conclusions, and recommendations. This schedule shall contain all findings and questioned costs for the financial schedules which are required to be reported in accordance with GAGAS. Specifically, the auditor shall report the following as audit findings in this schedule:
  - a. Reportable conditions in internal control over the program(s) (state and/or Federal) that provide funding under this contract. The auditor shall identify reportable conditions which are individually or cumulatively material weaknesses.
  - b. Material noncompliance with the provision of laws, regulations, and the provisions of this contract.
  - c. Questioned costs specifically identified by the auditor (known questioned costs). In evaluating the effect of questioned costs on the opinion on compliance, the auditor shall consider the best estimate of total costs questioned (likely questioned costs), not just the known questioned costs. In reporting questioned costs, the auditor shall include information to provide proper perspective for judging the prevalence and consequences of the questioned costs.
  - d. Known fraud that affects a program (state and/or Federal) that provides funding under this contract. The auditor is not required to make an additional reporting when the auditor confirms that the fraud

was reported outside of the auditor's reports under the direct reporting requirements of GAGAS.

7. Corrective Action Plan (if applicable). At the completion of the audit, the contractor shall prepare a corrective action plan (CAP) to address each audit finding included in the audit report. The CAP shall provide the name(s) of the contact person(s) responsible for corrective action(s), the corrective action(s) planned, and the anticipated completion date(s) for the corrective action(s) planned. Further, if the contractor does not agree with an audit finding, it must clearly and completely explain the nature of its disagreement with the finding in the CAP. Finally, if the contractor believes that corrective action is not required, it must provide the specific reason(s) in the CAP.
8. Status of Prior Audit Findings and Recommendations (if applicable). The auditor shall report the status of uncorrected material findings and recommendations from prior audits that affect the current audit.
9. Management Letter (if applicable). If a letter is issued to management disclosing non-reportable conditions or other matters involving the internal control structure, it must be furnished with the audit report.
10. Subcontractor Audit Requirements. As applicable, the contractor shall have subcontractors obtain audits of their contracts in accordance with Section III of this Appendix. The contractor shall make the requirements of Section III of this Appendix applicable to any subcontractor expending \$500,000 or more of state funds under this contract during the state fiscal year (i.e., July 1 through June 30), or expending \$500,000 or more of state funds under this contract within any successive state fiscal year. If the subcontract or any successive period is for a period shorter than the state fiscal year, but the subcontractor expends \$500,000 or more of state funds under this contract during said period, the contractor is also required to make the requirements of Section III of this Appendix applicable to the subcontractor. The contractor, NOT the Department, shall be responsible for the receipt, review, and resolution of such audits. The contractor shall follow up on all findings disclosed in the audit report(s). The contractor shall retain such audits for a period of time which is the greater of four years after termination of the contractor's contract with the subcontractor or until resolution of any audit exceptions or other claims or actions involving a subcontract.

#### **C. Submission of Audit Reports**

When the contractor is responsible for obtaining a Department mandated audit, the audit report must be completed and submitted within 120 days of the end of the state fiscal year (i.e., June 30) or 120 days following the end of each state fiscal year in case of a contract lasting more than twelve months. The contractor shall submit three (3) copies of the audit report to the Department of Health, at:

Pennsylvania Department of Health  
Bureau of Administrative and Financial Services  
Division of Contracts, Audit Resolution Section  
Room 824 Health and Welfare Building  
625 Forster Street  
Harrisburg, PA 17120-0701

Phone: (717) 787-1022  
Fax: (717) 783-3794

Technical assistance with respect to Department mandated audits will be provided by the Department's Audit Resolution Section at the above-listed address and telephone number.

## **IV. CONTRACTS FUNDED BY FEDERAL AND STATE FUNDS**

### **A. Conditions Requiring an Audit**

- The contractor is required to have a Department mandated audit made in accordance with the requirements of Section III of this Appendix when the contractor expends less than \$500,000 of total Federal awards received from ALL sources during its fiscal year; AND the contractor expends \$500,000 or more of State funds received under this contract during the state fiscal year.
- The contractor is required to have a Federally mandated audit made in accordance with the requirements of Section II of this Appendix when the contractor expends \$500,000 or more of total Federal awards



received from ALL sources during its fiscal year, regardless of the amount of State funds received under this contract during the state fiscal year.

## **V. AUDIT EXEMPTION CONDITIONS**

Unless stated otherwise in the terms of this contract, the contractor is not required to have an audit performed of this contract when EITHER of the following conditions is applicable:

- The contractor expends less than \$500,000 of state funds received under this contract during the state fiscal year (i.e., July 1 through June 30) (for Department mandated audits) AND it expends total Federal awards of less than \$500,000 received from ALL sources (i.e., any and all other Federal awards expended during the contractor's fiscal year, received either directly from the Federal government or indirectly from a recipient of Federal funds) during its fiscal year.
- The contract is funded by either state or Federal funds, and all contract monies expended during either the contractor's fiscal year (for Federally mandated audits) or during the state fiscal year (i.e., July 1 through June 30) (for Department mandated audits) are received on a strictly fee for service basis.

However, even if the contractor is not required to have an audit performed, the contractor is required to maintain auditable records of Federal awards and any state funds which supplement such awards, and to provide access to such records by Federal and state agencies or their designees.

## **VI. GENERAL AUDIT PROVISIONS**

### **A. Auditor Selection**

The contractor is responsible for obtaining the necessary audit and securing the services of a certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of Federal awards.

The Office of the Budget, Office of Comptroller Operations, Bureau of Audits may decide to perform those audits that are Department mandated. The contractor will be given written notification if the Office of the Budget, Office of Comptroller Operations, Bureau of Audits makes this decision. In the event that the Office of the Budget, Office of Comptroller Operations, Bureau of Audits does perform the audit, any audit costs included in the contract will revert to the Department. However, unless notified as provided above, the contractor is required to arrange for the audit as described above.

### **B. Questioned Costs**

Any questioned costs identified as such in audit reports of either the contractor or its subcontractors shall be returned to the cognizant Federal and/or state agencies providing the financial assistance, unless resolved to the satisfaction of said entities.

### **C. Sanctions (Remedies for Noncompliance with Audit Requirements)**

The contractor's failure to comply with performance, reporting, and resolution requirements for audits of Commonwealth-funded programs in accordance with the requirements of this Appendix may result in the Department implementing remedial actions toward the contractor including, but not limited to, the following:

1. Withhold a portion of the contract funding until the problem is resolved.
2. Withhold or disallow overhead costs until the problem is resolved.
3. Suspend the contract until the problem is resolved.

### **D. Additional Audits**

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

**E. Audit Documentation and Audit Reports**

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

**F. Records Retention**

The contractor is required to maintain records of state funds and Federal awards. The contractor shall preserve all books, records and documents related to this contract for a minimum of four years from the date of final payment under this contract; or until all findings, questioned costs or activities have been resolved to the satisfaction of the Commonwealth; or as required by applicable Federal laws and regulations, whichever is longer, unless this contract elsewhere provides for a shorter period; or unless the Department otherwise separately agrees in writing to a shorter period. The contractor shall provide Federal and state agencies or their designees access to such books, records and documents for inspection, audit or reproduction.

**G. Funding Source(s)**

The audit report must identify the amounts of Federal and state funding that is included in the report. This identification must include the breakdown of Federal and state dollars provided and the related Federal and state financial assistance program name and number. This identifying information is provided in the paragraph entitled, FUNDING SOURCE(S), of the contract.

**PRO-CHILDREN ACT OF 1994**

The Contractor and all subcontractors shall agree to comply with the following certification required by P.L. 103-227 Sections 1041-1044, 20 U.S.C. Sections 6081-6084, also known as the Pro-Children Act of 1994, which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient hospital drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities (other than clinics) where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor certifies that it will comply with the requirements of the Pro-Children Act of 1994 and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Pro-Children Act of 1994.

The Contractor agrees that it will require that the language of this certification be included in any subcontracts which contain provisions for children's services and that all subcontractors shall certify accordingly.

The Contractor further agrees that it will comply with, and require any subcontractors to comply with, the requirements of the Pro-Children Act of 1994 regardless of the source of funds for this contract.