

**REQUEST FOR APPLICATIONS**

**Early Care and Education  
Professional Development Organizations**

**ISSUING OFFICE**

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

**RFA NUMBER**

**17-18**

**DATE OF ISSUANCE**

**January 16, 2019**

**REQUEST FOR APPLICATIONS FOR**  
**Early Care and Education**  
**Professional Development Organizations**

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## CALENDAR OF EVENTS

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

Activity	Responsibility	Date
Deadline to submit questions via email to: <a href="mailto:RA-PWRFPQUESTIONS@PA.GOV">RA-PWRFPQUESTIONS@PA.GOV</a>	Potential Applicants	January 29, 2019 2:00 PM EST
Answers to Potential Applicant questions posted to the DGS website <a href="http://www.emarketplace.state.pa.us/Search.aspx">http://www.emarketplace.state.pa.us/Search.aspx</a> no later than this date.	DHS	February 8, 2019
Please monitor website for all communications regarding the RFA.	Potential Applicants	On-going
Sealed application must be received by the Issuing Office at:  Commonwealth of Pennsylvania Department of Human Services Bureau of Procurement & Contract Management Room 402, Health & Welfare Building 625 Forster Street Harrisburg, PA 17120	Applicants	March 19, 2019 12:00 PM EST

## PART I

### GENERAL INFORMATION

**I-1. Purpose.** This request for applications (“RFA”) provides to those interested in submitting applications for the subject procurement (“Applicants”) sufficient information to enable them to prepare and submit applications for the Department of Human Service’s (“Department” or “DHS”) consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need for the management and operation of **Early Care and Education Professional Development Organizations** (“Project”). This RFA contains instructions governing the requested applications, including the requirements for the information and material to be included; a description of the service to be provided; requirements which Applicants must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFA.

**I-2. Issuing Office.** The DHS Office of Administration, Bureau of Procurement and Contract Management (“Issuing Office”) has issued this RFA on behalf of the Office of Child Development & Early Learning (“OCDEL”). The sole point of contact in the Commonwealth for this RFA shall be Michelle Herring, [RA-PWRFAQUESTIONS@PA.GOV](mailto:RA-PWRFAQUESTIONS@PA.GOV), the Issuing Officer for this RFA. Please refer all inquiries to the Issuing Officer.

**I-3. Overview of Project.**

In FY 2019-2020, OCDEL will redirect \$10 million of existing federal funds to establish six (6) Early Care and Education Professional Development Organizations (“ECE PDOs”) to implement a system of professional development (“PD”) that will transform the early care and education (“ECE”) workforce in their respective regions (see **Appendix A** for information about OCDEL). Funds for this initiative were previously allocated to the Regional Keys, which directly delivered PD, contracted with community-based PD organizations, or contracted with colleges and universities to offer ECE workforce credit-bearing offerings. The \$10 million does not include funds set aside for the tuition assistance programs Teacher Education and Compensations Helps (T.E.A.C.H.), and Rising STARS Tuition Assistance.

OCDEL seeks to work with Pennsylvania-based institutions of higher education (“IHE”) and community-based partners to provide credit-bearing professional preparation and ongoing PD for ECE professionals working to provide high-quality early learning services to children and families. Credit bearing PD coursework must align with Pennsylvania’s Early Childhood Educator Career and Educational Pathway (**Appendix B**). The pathway is best realized through a sequence of stackable, portable credentials that reflect developmentally and culturally appropriate content to support educators working with young children combined with the supports educators need to advance their individual career and education progression. Applicants must demonstrate strategies to address the broad needs of the region they serve while supporting the individual needs of educators. Priority will be given to partnerships that demonstrate a strong relationship between IHE and community-based early childhood organizations.

Selected Applicants will provide leadership, management, and administration of the ECE PDOs. For purposes of this RFA, reference to PD means credit-bearing opportunities aligned with Pennsylvania’s Early Childhood Educator Career and Educational Pathway (**Appendix B**). The selected Applicants will serve specific service area regions (**Appendix C**), in which they will coordinate PD that aligns with the principles, services, and scope of work identified in this RFA. ECE PDOs will coordinate the development and facilitate the offering of: (1) credit-bearing Child Development Associate (“CDA”) Credential courses; (2) collaboration and articulation agreements with IHE; and (3) collaboration and coordination with other PD business partners, including, but not limited to, Early Intervention, early childhood behavioral health, and other local quality improvement initiatives in support of the Early Childhood Educator Career and Educational Pathway (**Appendix B**).

#### **I-4. Objectives.**

**A. General.** The objective of this RFA is to identify ECE PDOs to:

1. Coordinate and facilitate access to credit-bearing, stackable, portable coursework and credentials for the ECE workforce;
2. Support direct access across each identified service region for the ECE workforce to participate in CDA Credential (Infant /Toddler, Preschool, and Family Child Care), Associate of Arts (“AA”), Associate of Science (“AS”), Associate of Applied Science (“AAS”), Bachelor of Arts (“BA”), and Bachelor of Science (“BS”) programs through a mixed delivery model consisting of: face-to-face, cohort, or online methods; and
3. Coordinate with and support the Early Learning Resource Centers (“ELRCs”) (**Appendix D**) in improving the quality of ECE programs.

**B. Specific.** OCDEL has made it a priority to develop and implement a PD system for the ECE workforce that integrates services. ECE PDOs will:

1. Develop a regional partnership strategy to address systems building for identified regions to support the shift from non-credit bearing PD to a focus on degree attainment for the ECE workforce;
2. Develop and deliver community and institutional based courses, including student cohort based formats, resulting in the attainment of an ECE degree:
  - a. Articulation and Transformation Agreements (stackable and portable coursework and credentials);
  - b. Mixed delivery models;
  - c. CDA Credentials leading to AA/AS/AAS degrees to BA/BS degrees; and
3. Coordinate federal, state, and local funding beyond Child Care Development Fund (“CCDF”) dollars to support equitable access to education by the ECE workforce

**I-5. Access to Documents.** An electronic online Procurement Library has been established at <http://www.dhs.pa.gov/learnaboutdhs/dhsorganization/officeofchilddevelopmentandearlylearning/>. The Procurement Library contains additional information regarding Keystone STARS, early child hood education and workforce that Applicants may find useful in preparing their applications. All possible effort has been made to ensure that library materials are complete and current. When a conflict exists, the RFA requirements will take precedence over materials in the online Procurement Library.

**I-6. Method of Award.** Applicants may submit applications for one, all, or any combination of the ECE PDO Service Regions. Applicants must submit a separate application for each ECE PDO Service Region containing Technical and Cost. DHS intends to award an agreement to one Applicant in each ECE PDO Service Region. After final evaluation of applications, if it is determined to be in the Commonwealth’s best interest, the Commonwealth may request Applicants to submit integrated solutions for any combination or all ECE PDO Service Regions.

**I-7. Type of Agreement.** DHS intends to award multiple grants as a result of this RFA. For those awards that are made, DHS will enter into a Firm, Fixed Price grant agreement containing the Standard Grant Terms and Conditions as shown in **Part V**. All references in Part V to the “Contract” shall refer to the grant agreement(s), and all references to “Contractor” shall refer to the Grantee(s). Contingent on project plan approval as described in **Part III, Section III-6.B** of the RFA, grant agreements will also include funds to support the implementation and expansion of credit-bearing CDA courses, collaboration and articulation agreements with institutions of higher education, purchase of credit-bearing professional development, and collaboration and coordination among all PD business partners (see **Appendix C**).

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

- I-8. Rejection of Applications.** The Department may, in its sole and complete discretion, reject any application received as a result of this RFA.
- I-9. Incurring Costs.** DHS is not liable for any costs the Applicant incurs in preparation and submission of its application, in participating in the RFA process, or in anticipation of award of the grant agreements.
- I-10. Pre-Application Webinar.** DHS will hold a Pre-Application webinar as specified in the Calendar of Events. The purpose of this webinar is to provide opportunity for clarification of the RFA. Applicants should forward all questions to the Issuing Officer in accordance with **Part I, Section I-11** to ensure adequate time for analysis before DHS provides an answer. Applicants may also ask questions during the webinar. The Pre-Application webinar is for information only. Any answers furnished during the webinar will not be official until they have been verified, in writing, by DHS. All questions and written answers will be posted on the Department of General Services' ("DGS") website as an addendum to, and shall become part of, this RFA. **Attendance at the Pre-Application Webinar is optional, but strongly encouraged.**
- I-11. Questions & Answers.** If an Applicant has any questions regarding this RFA, the Applicant must submit the questions by email (**with the subject line "RFA 17-18 Question"**) to the Issuing Officer named in **Part I, Section I-2** of the RFA. If the Applicant has questions, they must be submitted via email **no later than** the date and time indicated on the Calendar of Events. The Applicant shall not attempt to contact the Issuing Officer by any other means. The Department shall post the answers to the questions on the DGS website by the date stated on the Calendar of Events.

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

- I-12. Addenda to the RFA.** If DHS deems it necessary to revise any part of this RFA before the application response date, DHS will post an addendum to the DGS website at <http://www.emarketplace.state.pa.us/Search.aspx>. It is the Applicant responsibility to periodically check the website for any new information or addenda to the RFA. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFA. DHS shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFA or formally issued as an addendum by DHS.
- I-13. Response Date.** To be considered for selection, hard copies of application must arrive at the Issuing Office on or before the time and date specified in the RFA Calendar of Events. DHS will **not** accept application via email or facsimile transmission. Applicants who send applications by mail or other delivery service should allow sufficient delivery time for the timely receipt of their applications. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which applications are to be returned is closed on the application response date, the deadline for submission will

be automatically extended until the next Commonwealth business day on which the office is open, unless the Issuing Office otherwise notifies Applicants. The hour for submission of applications shall remain the same. DHS will reject, unopened, any late applications.

#### **I-14. Application Requirements.**

**A. Application Submission:** To be considered, Applicants should submit a complete response to this RFA to the Issuing Office, using the format provided in **Section I-14.B**, providing **six (6) paper copies [one marked “ORIGINAL”] of the Technical Submittal and two (2) paper copies of the Budget Submittal. The ECE PDO Service Region name and reference number must be clearly indicated on the mailing label.** In addition to the paper copies of the application, Applicants shall submit **two complete and exact copies** of the entire application (Technical and Budget Submittals, along with all requested documents) on a Flash drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. Additionally, on the Flash Drive, include separate folders which contain a complete and exact copy of the entire Technical (excluding financial capability) Submittal in a searchable PDF (portable device format). To the extent that the Applicant designates information as confidential or proprietary or trade secret protected in accordance with **RFA Part I, Section I-20**, the Applicant must also include **one (1) redacted version** of the Technical Submittal, excluding financial capability on a Flash Drive in Microsoft Office or Microsoft Office-compatible format. The Flash drive should clearly identify the Applicant and include the name and version number of the virus scanning software that was used to scan the Flash drive before it was submitted. The Applicant may not lock or protect any cells or tabs. The Applicant shall make no other distribution of its application to any other Applicant or Commonwealth official or Commonwealth consultant. Each application page should be numbered for ease of reference. An official authorized to bind the Applicant to its provisions must sign the application. If the official signs the **Application Cover Sheet (Appendix E)** and the Application Cover Sheet is attached to the Applicant’s application, the requirement will be met. For this RFA, the application must remain valid for one hundred and twenty (120) days or until a grant agreement is fully executed. If DHS selects the Applicant’s application for award, the contents of the selected Applicant’s application will become, except to the extent the contents are changed through Best and Final Offers or negotiations, Grant Agreement obligations.

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

**B. Application Format:** Applicants must submit their applications in the format, including heading descriptions, outlined below. To be considered, the application must respond to all application requirements. Applicants should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Application. All cost data relating to this application should be kept separate from and not included in the Technical Submittal. Applicants should not reiterate technical information in the cost submittal. Applicants may submit applications for one or more ECE PDO Service Region; however, Applicants must submit a separate application for each ECE PDO Service Region being applied for. Each ECE PDO Service Region’s Application must be labeled with the Service Region identified. If an Applicant is applying for more than one (1)



ECE PDO Service Region, the application must be specific to the Service Region and packaged separately. Each Application shall consist of the following two (2) separately sealed submittals:

**1. Technical Submittal:**

- a. In response to Part III**
- b. The Technical Submittal must include an Application Cover Sheet Appendix E and include Tabs 1 through 11. Applicants must format their responses as follows:**
  - Tab 1: Table of Contents
  - Tab 2: Statement/Understanding of the Problem
  - Tab 3: Applicant Qualifications
  - Tab 4: Personnel Qualifications
  - Tab 5: Soundness of Approach – Work Plan, Requirements, Reports and Project Control
  - Tab 6: Mandatory Letter of Commitment (minimum of one)
  - Tab 7: Financial Capability
  - Tab 8: Complete, sign, and include: Lobbying Certification **Appendix F**
  - Tab 9: Conflict Free
  - Tab 10: Corporate Reference Questionnaire **Appendix G**
  - Tab 11: Essential Personnel Reference Questionnaire **Appendix H**

**2. Budget Submittal, in response to RFA Part IV.**

Applications must adhere to the following format:

- a. Pages must be 8.5 by 11 inches with right and left margins of one (1) inch; and be double-sided.
- b. Must use Arial or Times New Roman font with a size of twelve (12).
- c. Tab and Section headings, shown in **RFA Part I, Section I-14**, Application Requirements, **MUST** be used.
- d. Each page of the application must include a page number and identification of the Applicant in the page footer.
- e. Materials provided in any appendix must be specifically referenced by tab or page numbers in the body of the application.
- f. Exceptions for paper and font size are permissible for project schedule (Microsoft Project) or for graphical exhibits and material in appendices which may be printed on white paper with dimensions of 11 by 17 inches.

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

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

- I-15. Economy of Preparation.** Applicants should prepare applications simply and economically, providing a straightforward, concise description of the Applicant’s ability to meet the requirements of the RFA.
- I-16. Alternate Applications.** DHS has identified the basic approach to meeting its requirements, allowing Applicants to be creative and propose their best solution to meeting these requirements. DHS will not accept alternate applications.
- I-17. Discussions for Clarification.** Applicants may be required to make an oral or written clarification of their applications to DHS to ensure thorough mutual understanding and Applicant responsiveness to the solicitation requirements. DHS will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to agreement award.
- I-18. Oral Presentations.** Applicants may be required to make an oral presentation of their applications to DHS to demonstrate an Applicant’s capabilities and ability to provide the services required in the RFA. DHS will initiate requests for oral presentations; which may include a request that essential personnel be present. The oral presentation will be held in Harrisburg, Pennsylvania. Oral presentations may be requested at any stage of the evaluation and selection process prior to award of the grant agreement.
- I-19. Prime Grantee Responsibilities.** The selected Applicant must perform Project services with a value of at least 50% of the total Operations grant value (see **Appendix C**). Nevertheless, the grant agreement will require the selected Applicant to assume responsibility for all services offered in its Application whether it produces them itself or by sub-contract. Further, DHS will consider the selected Applicant to be the sole point of contact with regard to all agreement matters.
- I-20. Application Contents.**
- A. Confidential Information.** The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Applicants’ submissions in order to evaluate applications submitted in response to this RFA. Accordingly, except as provided herein, Applicants should not label application submissions as confidential or proprietary or trade secret protected. Any Applicant who determines that it must divulge such information as part of its application must submit the signed written statement described in Subsection C below and must additionally provide a redacted version of its application in accordance with RFA **Part I, Section I-14**, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.
- B. Commonwealth Use.** All material submitted with the application shall be considered the property of the Commonwealth and may be returned only at DHS’s option. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any application regardless of whether the application becomes part of an agreement. Notwithstanding any Applicant copyright designations contained on applications, the Commonwealth shall have the right to make copies and distribute applications internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
- C. Public Disclosure.** After the award of a grant pursuant to this RFA, all application submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If an application submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to **Appendix I** of the RFA for a **Trade**

**Secret Confidential Proprietary Information Notice Form** that may be utilized as the signed written statement, if applicable. If financial capability information is submitted in response to **Part III-5** of this RFA such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

- I-21. News Releases.** Applicants shall not issue news releases, internet postings, advertisements, or any other public communications pertaining to this Project without prior written approval of DHS, and then only in coordination with DHS.
- I-22. Restriction of Contact.** From the issue date of this RFA until DHS selects an application(s) for award, the Issuing Officer is the sole point of contact concerning this RFA. Any violation of this condition may be cause for DHS to reject the offending Applicant's application. If DHS later discovers that the Applicant has engaged in any violations of this condition, DHS may reject the offending Applicant's application or rescind its grant agreement. Applicants must agree not to distribute any part of their applications beyond the Issuing Office. An Applicant who shares information contained in its application with other Commonwealth personnel and/or competing Applicant personnel may be disqualified.
- I-23. Department Participation.** Applicants shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-23**. The Department will provide training materials, policy direction, and operational support. The Department will not provide office space.

The Department will monitor selected Applicants for compliance with the requirements of the ECE PDO Agreement. The Department will designate staff to coordinate the project, provide or arrange for technical assistance, and monitor for readiness and compliance with the agreement requirements, and the approved program policies and procedures. At its discretion, the Department may commence monitoring before the effective or operational dates of the agreement.

- I-24. Term of Agreement.** The term of the agreements will commence on the effective date and will end two (2) years after the effective date. DHS will fix the Effective Date after the agreement has been fully executed by the selected Applicant and by the Commonwealth and all approvals required by the Commonwealth have been obtained. The Commonwealth, at its sole option, may renew the agreement for three (3) additional one (1) year periods. The selected Applicant shall not start the performance of any work prior to the Effective Date of the agreement and *the Commonwealth shall not be liable to pay the selected Applicant for any service or work performed or expenses incurred before the Effective Date of the agreement.*
- I-25. Applicant's Representations and Authorizations.** By submitting its application, each Applicant understands, represents, and acknowledges that:
- A.** All of the Applicant's information and representations in the application are material and important, and DHS will rely upon the contents of the application in awarding the agreement(s). The Commonwealth may treat any misstatement, omission, or misrepresentation as fraudulent concealment of the true facts relating to the Application submission, punishable pursuant to 18 Pa. C.S. § 4904.
  - B.** The Applicant has arrived at the budget allocation in its application independently and without consultation, communication, or agreement with any other Applicant or potential Applicant.
  - C.** To the best knowledge of the person signing the application for the Applicant, the Applicant, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any

governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Applicant has disclosed in its application.

- D.** To the best of the knowledge of the person signing the application for the Applicant and except as the Applicant has otherwise disclosed in its application, the Applicant has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Applicant that is owed to the Commonwealth.
- E.** The Applicant is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Applicant cannot so certify, then it shall submit along with its application a written explanation of why it cannot make such certification.
- F.** The Applicant has not made, under separate contract with DHS, any recommendations to DHS concerning the need for the services described in its application or the specifications for the services described in the application.
- G.** Each Applicant, by submitting its application, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Applicant's Pennsylvania taxes, unemployment compensation, and workers' compensation liabilities.
- H.** Until the selected Applicant receives a fully executed and approved written agreement from the Issuing Office, there is no legal and valid agreement, in law or in equity, and the Applicant shall not begin to perform.
- I.** The Applicant is not currently engaged, and will not during the duration of the agreement engage, in a boycott of a person or an entity based in or doing business with a jurisdiction which the Commonwealth is not prohibited by Congressional statute from engaging in trade or commerce.

#### **I-26. Notification of Selection.**

- A. Negotiations.** DHS will notify Applicants in writing of the Applicant selected for negotiations for each ECE PDO Service Region, after DHS has determined, taking into consideration all of the evaluation factors, the application that is the most advantageous to DHS.
- B. Award.** Applicants whose applications are not selected for a Service Region will be notified when negotiations for the region have been successfully completed and DHS has received the final negotiated agreement signed by the selected Applicant for the ECE PDO Service Region.

**I-27. Debriefing Conferences.** Upon notification of award, Applicants whose applications were not selected will be given the opportunity to be debriefed. The Issuing Office will schedule the debriefing at a mutually agreeable time. The debriefing will not compare the Applicant with other Applicants, other than the position of the Applicant's application in relation to all other Applicant applications.

**I-28. Use of Electronic Versions of this RFA.** This RFA is being made available by electronic means. If an Applicant electronically accepts the RFA, the Applicant acknowledges and accepts full responsibility to ensure that no changes are made to the RFA. In the event of a conflict between a version of the RFA in the Applicant's possession and the Issuing Office's version of the RFA, the Issuing Office's version shall govern.

**I-29. Information Technology Policies.** This RFA is subject to the Information Technology Policies (“ITPs”) {formerly known as Information Technology Bulletins} issued by the Office of Administration, Office for Information Technology (“OA-OIT”); and DHS Business and Technical Standards created and published by DHS. ITPs may be found at <http://www.oa.pa.gov/Policies/Pages/itp.aspx>. The DHS Business and Technical Standards may be found at <http://www.dhs.pa.gov/provider/busandtechstandards/index.htm>.

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

## PART II

### CRITERIA FOR SELECTION

- II-1. Mandatory Responsiveness Requirements.** To be eligible for selection, an application must:
- A. Be timely received from an Applicant (see **Part I, Section I-13**);
  - B. Be properly signed by the Applicant (see **Part I, Section I-14.A**); and
  - C. Applicant must be an IHE or include a Letter of Commitment from at least one community college, technical college, or IHE (see **Part III, Section III-1.C**).
- II-2. Technical Nonconforming Applications.** The three (3) Mandatory Responsiveness Requirements set forth in **Section II-1** above (A-C) are the only RFA requirements that the Commonwealth will consider to be *non-waivable*. The Department may, in its sole discretion, (1) waive any other technical or immaterial nonconformities in an Applicant's application, (2) allow the Applicant to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Applicant's application.
- II-3. Evaluation.** The Department has selected a committee of qualified personnel to review and evaluate timely submitted applications. The Department will notify in writing of its selection for negotiation the responsible Applicants whose applications are determined to be the most advantageous to the Commonwealth as determined by the Department after taking into consideration all of the evaluation factors.
- II-4. Evaluation Criteria.** The following criteria will be used in evaluating each application submitted for each Service Area of the RFA:
- A. **Technical:** The Department has established the weight for the Technical criterion for this RFA as 100% of the **total** points. Evaluation will be based upon the following in order of importance: Soundness of Approach, Applicant Qualifications, Personnel Qualifications, Partnerships, and Understanding the Problem.
    - **Soundness of Approach.** This includes the Applicant's technical approach for completion of all requirements and tasks of this RFA, if it is responsive to all requirements of the RFA and if it meets the project's objectives.
    - **Applicant Qualifications.** This includes the ability of the Applicant to meet the terms of the RFA, especially the time constraints and the quality, relevancy, and recentness of projects completed by the Applicant. This also includes the Applicant's ability to undertake a project of this size. Additionally, this includes the details of the Applicant's partnership with one or more IHEs to fulfill the intent of the Project.
    - **Personnel Qualifications.** This includes the competence and sufficiency of professional personnel who would be assigned to the Project by the Applicant. Qualifications of professional personnel shall be measured by experience, education, and the capacity to do the work, with particular reference to experience on services similar to that described in the RFA. Particular emphasis is placed on the qualifications of the PDO Director/Manager and lead staff.
    - **Partnerships.** This includes the Applicant's relationships with Career and Technical Education Centers, community colleges, technical colleges, colleges, and universities. It also includes the Applicant's plan to enter into partnerships to support direct access to credit-bearing courses, utilize remote or distance learning, and to leverage community-based resources and locations so that PD services are easily accessible to child care and early learning teachers within the ECE PDO Service Region.

- **Understanding the Problem.** This includes the Applicant's understanding of the Commonwealth's needs that generated the RFA, of the Commonwealth's objectives in asking for the services, and of the nature and scope of the work involved.

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

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

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

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

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

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

**II-6. Final Ranking and Award.**

- A. The Issuing Office will rank responsible Applicants according to the total overall score assigned to each, in descending order, for each ECE PDO Service Region.
- B. For each ECE PDO Service Region and except as provided in **Part II, Section II-6.C**, the Department must select for negotiations the Applicant with the highest overall score.
- C. For one, all, or some ECE PDO Service Regions, the Department has the discretion to reject all applications or cancel the request for applications, at any time prior to the time an agreement is fully executed, when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the RFA file.



## PART III

### TECHNICAL SUBMITTAL

**III-1. Requirements.** Applicants must describe in detail how they will address **each** of the following requirements.

**A. State and Federal Regulatory Requirements.** The selected Applicant(s) must comply with the following federal regulations and restrictions as it applies to this Project:

- CCDF regulations, 45 CFR § 98.56(b)(1), Restrictions on the use of funds:  
<https://www.gpo.gov/fdsys/pkg/FR-2016-09-30/pdf/2016-22986.pdf>
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards, 45 CFR Part 75: <https://www.law.cornell.edu/cfr/text/45/part-75>
- Contract Cost Principles and Procedures, 48 CFR Part 31, For-Profit Agencies:  
<https://www.law.cornell.edu/cfr/text/48/part-31>

**B. Applicant Eligibility.** Applicants for this Project must be Pennsylvania community-based nonprofit or for profit organizations, Pennsylvania local education agencies, or IHEs. In the event that the applicant is not an IHE, it must submit a letter of commitment to the Project from one or more IHEs (see **Section III-1.C**).

**C. Partnering Postsecondary or Higher Education Agency.** If the Applicant is a community-based nonprofit or for profit organization or Pennsylvania local education agency, the application must describe the commitment of at least one (1) IHE as part of the application process. In addition to the description of the relationship, applicants are required submit a formal Letter of Commitment to the Project and include the letter with the application under Tab 6. Applicants who have partnerships with more than one (1) IHE must submit Letters of Commitment for each participating IHE. The Letter of Commitment must describe the IHE's involvement in the Project including any human resources, resources, space, and funding it will contribute. The Letter of Commitment must be signed by an official of the IHE with capacity and authority to allocate resources to the Project.

**D. Quality Designation of Child Care Services.** If an applicant offers child care as part of its services, 75 percent or more of these locations must be at least a STAR 3 as of the submission date of the application. The 75 percent threshold must be maintained or exceeded during the duration of the grant agreement.

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

**F. Conflict Free Requirements.** If the selected Applicant(s) operates its own child care program, it must develop and implement an organization approved conflict of interest policy. This policy must preclude employees (including child care staff) from receiving any advantage to access PD offered by the ECE

PDO. Selected Applicant(s) must provide a notarized copy of the conflict of interest policy to the Department for review and approval during the Readiness Review period.

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

1. Documenting the implementation of the conflict of interest policy.
2. Addressing any conflicts of interest or perceived conflicts of interest if the selected entity includes child care and how those staff will not be shown favoritism in accessing ECE PDO supports.

As part of the response, the Applicant must submit complete organizational information that includes an organization chart listing all relationships with child care providers that are part of the legal entity. The selected Applicant(s) must be free of any conflicts of interest throughout the grant period with DHS. If an Applicant is not currently conflict free, it must describe its approach to becoming conflict free prior to entering into an agreement with DHS.

**G. Resource Requirements.** The selected Applicant(s) must supply meeting rooms and normal office space for personnel, including: equipment, computers and monitors, network and internet connectivity, supplies, clerical assistance, and administrative support needed to perform the Project. Selected Applicant(s) are required to maintain, at a minimum, a toll-free telephone number and electronic communications via email and web presence, have high-speed internet accessibility, and consider internet capabilities to deliver services in all counties included in the PDO Service Region. If the Applicant foresees any internet accessibility issue in the Service Region or counties within the Service Region, it must provide a detailed explanation in its application. Applicants must be able to accept and send both fax and email.

**H. Access to Services.** The selected Applicant(s) must satisfy the following accessibility requirements before providing services:

1. The selected Applicant(s) must establish and publicize an operational schedule that allows ECE workforce who cannot contact the ECE PDO agency staff during office hours an opportunity to access the ECE PDO supports.
2. The selected Applicant(s) must maintain a toll-free telephone number for any ECE teacher who lives within the Service Region served by the ECE PDO.
3. The selected Applicant(s) shall be known as the OCDEL ECE PDO / Region \_\_\_\_ and use consistent branding as determined by the Department.
4. The selected Applicant(s)'s staff will respond to voice, fax, and e-mail messages within one (1) business day.
5. The selected Applicant(s) must develop a plan to coordinate and facilitate the delivery of credit-bearing PD at the regional, county and, where sufficient demand exists, the local level at times that support non-traditional students from the ECE workforce.

For purposes of this Application, the Applicant must describe how it will satisfy these requirements as part of Readiness Review.

**I. Staff Clearances.** The selected Applicant(s), including all subcontractor's staff that performs services pursuant to this RFA, must obtain written clearances, at its own expense, from the Pennsylvania State Police and the Office of Children, Youth and Families' DHS ChildLine and Abuse Registry. Criminal background checks are conducted via the Criminal History Request Online at the Pennsylvania State Police website, under PSP Services, <http://www.psp.pa.gov/Pages/Request-a-Criminal-History-Record.aspx>. Child abuse clearances are obtained from <http://www.compass.state.pa.us/CWIS/public/home>.

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

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

- J. Information Handling.** The selected Applicant(s) must abide by the Commonwealth’s specific regulations and requirements concerning confidentiality of information and Health Insurance Portability and Accountability Act (“HIPAA”) Business Associate Language provided in **Appendix J**. The selected Applicant(s) must protect the confidentiality of all Commonwealth information.

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

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

- K. Archived Files.** The selected Applicant(s) must establish and maintain all archived files in an accurate, secure, and confidential manner for five (5) years from the record closed date, as mandated by applicable federal, state and local rules and regulations. Selected Applicant(s) must make available to the Department its archive system and purge procedures, as requested.

- L. Data Systems.** The selected Applicant(s) will use Pennsylvania’s PD Registry as prescribed by the Department to manage select PD opportunities and verify staff qualifications.

- M. Provider Communications.** The selected Applicant(s)’s communications and branding related to PDO must be consistent with the Department’s use of logo and style guides.

- N. Absence of Director or Essential Staff.** In the absence of the director or other essential staff, the selected Applicant(s) must appoint a designee(s) with authorization to implement any requests directed by the Department as well as to provide all requested information to the Department within prescribed timeframes established by the Department.

- O. Lobbying Certification and Disclosure of Lobbying Activities.** This Project will be funded, in whole or in part, with federal monies. Public Law 101-121, Section 319, prohibits federal funds from

being expended by the recipient or by any lower tier sub-contractors of a federal contract, grant, loan, or a cooperative agreement to pay any person for influencing, or attempting to influence a federal agency or Congress in connection with the awarding of any federal contract, the making of any federal grant or loan, or entering into any cooperative agreement. All parties who submit applications in response to this RFA must sign the Lobbying Certification Form, as shown in **Appendix F- Lobbying Certification and Disclosure Form** and, if applicable, complete the “Disclosure of Lobbying Activities” form, also attached as **Appendix F**.

**III-2. Statement of the Problem.** State in succinct terms your understanding of the problem presented and the service required by this RFA. The Applicant’s response should demonstrate that the Applicant fully understands the scope of services to be provided, the Applicant’s responsibilities, and how the Applicant will effectively manage the grant. The Applicant should demonstrate its understanding of the access issues to credit-bearing content for the entire spectrum of the ECE workforce. The Applicant should also demonstrate its understanding of existing educational offerings by Career and Technical Schools, community colleges, technical colleges, and IHE’s that offer ECE or related degrees, and the coordination and collaboration of those entities within the service delivery area. Finally, in the Statement of the Problem, the Applicant should describe its overall approach to the Project.

The Statement of the Problem should discuss specific issues and risks associated with providing the required services and should include proposed solutions that are progressive, equitable, innovative, ambitious, and achievable. The Applicant’s response should demonstrate that the Applicant fully understands the scope of work and the proposed services, the Applicant’s responsibilities, and the performance expectations for the relevant ECE PDO Region.

**III-3. Applicant Qualifications.** The Applicant must include experience or similar experience in administering PD or workforce development programs, including working with IHEs, to engage the ECE workforce in support of higher qualification attainment. Experience should include work completed by individuals who will be assigned to this Project as well as that of your organization overall.

The Applicant’s response must:

- Identify and describe the organization and proposed organizational structure and how your organizational structure will support the required Project goals;
- Provide highlights of the Applicant’s corporate qualifications and resources, including previous relevant experience and staff. Include the Applicant’s corporate commitment to performing the grant and meeting the performance requirements;
- Describe any specific qualifications or aspects of existing work or projects that the Applicant considers especially notable that meaningfully address the needs of your specific region; and
- Identify the capacity of your organization to accomplish the responsibilities and systems-building related to the goals of an ECE PDO. In describing your experience, specify the scale and scope of this experience.
  - Identify your relevant community partnerships in higher education, formal education, and early education that will allow you to successfully facilitate credit-bearing PD in your region;
  - Describe your experience or similar experience in integrating the core elements of outreach and provider engagement, and resource deployment to support the desired outcomes of the PDO;
  - Describe your experience or similar experience with working with the ECE workforce to access CDA Credentials, AA/AS/AAS, or BA/BS;

- Describe your experience or similar experience with local collaborations and community partnerships to maximize delivery of services to the ECE workforce; and
- Describe your experience or similar experience and resources available to meet the needs of diverse providers and providers with limited or no English proficiency.

**A. Corporate Background.** The Applicant must provide the name of its principal officers, a description of its major services, and any specific licenses and accreditations held by the Applicant.

**B. References.** The Applicant must provide a list of at least three (3) relevant contacts within the past three (3) years to serve as corporate references. The references must be outside clients (non-DHS) who can speak to the organization's capacity and experience related to the work of the proposed project. This list shall include the following for each reference:

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

The Applicant must submit **Appendix G - Corporate Reference Questionnaire**, directly to the contacts listed. The references should return the completed questionnaires in sealed envelopes to the Applicant. The Applicant must include these sealed references with its technical submittal under **Tab 10**.

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

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

**III-4. Personnel.** Include the number of personnel, consultants, and other staff who will be engaged in the Project. Show where these personnel will be physically located during the time they are engaged in the Project. Identify the individual(s) responsible for the management of the Grant Agreement. For essential personnel, defined as the PDO Director/Manager, include the employee's name and, a through resume or similar document, the Director's/Manager's education and experience in similar in size and scope projects. For each non-essential personnel position, indicate the role and responsibilities each project-funded individual will have in this Project. Describe how the Applicant's infrastructure, organizational capacity, experience and implementation skills will be used to deliver this program in a cost-effective and accountable manner.

Submitted responses are not to include personal information that will, or will be likely to, require redaction to release of the application under the Right-to-Know Law, including but not limited to home addresses and phone numbers, Social Security Numbers, Driver's License numbers or numbers from state identification cards issued in lieu of a Driver's License, and financial account numbers. If the

Commonwealth requires any of this information for security validation or other purposes, the information will be requested separately.

Include organizational charts outlining the staffing, reporting relationships and staff members in its description related to supporting the project. Show the total number of staff proposed and indicate the Full Time Equivalence (“FTE”) to account for any additional staff (non-essential personnel) that are not assigned on a full-time basis. Provide similar information for any subcontractors that are proposed. The organizational chart must illustrate the lines of authority, designate the positions responsible and accountable for the completion of each component in the RFA, indicate the names and job title and number of personnel that will be assigned to each role, and the number of hours per week each person is projected to work on the Project.

A minimum of three (3) client references must be included for essential personnel. All client references for essential personnel must be outside clients (non-DHS) who can give information on the individual’s experience and competence to perform project tasks similar to those requested in this RFA.

The Applicant must submit **Appendix H - Essential Personnel Reference Questionnaire**, directly to the contacts listed. The references should return completed questionnaires in sealed envelopes to the Applicant. The Applicant should include these sealed references with its application under **Tab 11**.

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

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

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

**III-5 Financial Capability.** Describe your company’s financial stability and economic capability to perform the grant requirements. In an appendix, provide your company’s financial statements for the past two (2) fiscal years. If your company is a publicly traded company, please provide a link to your financial records on your company website in lieu of providing hardcopies. Financial statements must include the company’s Balance Sheet and Income Statement or Profit/Loss Statements. Also include a Dun & Bradstreet comprehensive report, if available. The Commonwealth may request additional information it deems necessary to evaluate an Applicant’s financial capability.

**III-6. Work Plan.** Describe in narrative form your technical plan for how your organization and partnership will accomplish the work and tasks outlined in this section including the tasks and requirements for this RFA as your reference point. The Applicant must describe the relationship between project personnel, and the specifics tasks, assignments, and deliverables proposed to accomplish the scope of work. Specify the number of staff hours allocated to each task. The Applicant should clearly state how the objectives of the project will be met and how each task will be performed. Where the application deviates from the RFA work statement, the Applicant should explain why.

**A. Collaboration.** The selected Applicant(s) must work in an integrated and collaborative way regionally and statewide within the early learning community to implement the ECE PDO; facilitate community planning for access to PD; support systems building across the Commonwealth; and support partnerships and activities with community-based organizations, ECE providers, Workforce Development Boards, Labor Training Centers, and IHEs not initially identified as partners in the application. Describe the collaboration process that informed your grant application.

The selected Applicant(s) will communicate, coordinate, and collaborate with IHEs and community-based organizations to achieve goals of articulation and transformation agreements, increased support for the attainment of early childhood education credentials, increased number of IHE programs that offer early childhood education coursework and teacher certification, and increase opportunities for student teaching at high-quality early learning programs.

The selected Applicant will convene a minimum of two (2) stakeholder meetings for the purpose of planning and coordination annually. Required participants are representatives from OCDEL, partnering postsecondary agencies, the ECE PDO Director/Manager, ELRC staff from the ELRC assigned to the region served, representatives from the ECE workforce, and other stakeholders identified as supporting the Project Plan. The selected Applicant will make the meeting agenda and attendance available for OCDEL's review.

Describe how this initial planning will be extended into the strategic Project Plan process, **Section III-6.B**, to build and strengthen strong, clear, and shared leadership throughout the Service Region. The Applicant must demonstrate its ability to engage a wide range of stakeholders, including those with limited English proficiency ("LEP") and those with limited geographic access, in both the planning and delivery of credit-bearing PD. Describe strategies that demonstrate the Applicant's ability to engage and play a leadership role in regional and local communities and to build on the enhanced visibility of the ECE PDO as a hub supporting the Early Childhood Educator Career and Educational Pathway by a diverse group of community stakeholders including ECE providers, ELRCs, school districts, higher education, Head Start/Early Head Start, Early Intervention, business representatives, local government agencies, and philanthropic funders.

**B. Project Plan.** The selected Applicant(s) will conduct a strategic planning process to occur in the first ninety (90) days of the grant agreement effective date. The result will be the development of a detailed project plan outlining the sequencing of events and the time required to fully implement this Project by July 1, 2020. The selected Applicant must include as part of the plan a clear project timetable from beginning to end. The plan must be based in part or full on data provided by OCDEL as well as collected by the PDO regionally that includes specific targets for education attainment that align to Pennsylvania's Early Childhood Educator Career and Educational Pathway and the ELRC STARS movement targets. The PDO project plan must be approved by OCDEL no later than September 15, 2019. The PDO project plan must include the selected Applicant's approach to:

1. Knowledge attainment of Keystone STARS Performance Standards, particularly the Staff Qualifications Indicators requirements;

2. Knowledge attainment of current ECE workforce education levels;
3. A regional partnership strategy to address systems building for identified regions to support the shift from non-credit bearing PD to a focus on degree attainment for the ECE workforce;
4. Plan to implement a mixed delivery approach to community and institutional based courses, including student cohort based formats, resulting in the attainment of ECE degrees;
5. Timeline to Postsecondary and IHE:
  - a. Articulation and Transformation Agreements;
  - b. Mixed delivery models; and
  - c. CDA Credentials to AA/AS/AAS to BA/BS.
6. Identification of opportunities for coordination of federal, state, and local funding beyond funding provided as a result of the grant agreement(s) awarded to support equitable access by the ECE workforce including coordination with existing tuition assistance programs;
7. Process to conduct outreach to the ECE workforce and support enrollment in credit-bearing course offerings.

Applicants must describe their strategy to complete this project plan.

### **C. Project Plan and Set Aside Funds Management**

Release of the funding identified as Set Aside for Credential or Credit Bearing Coursework in **Appendix C** (eighty percent (80%) of the total funding amount) in year 1 of the ECE PDO award, is contingent on OCDEL approval of the initial project plan described in **Part III, Section III-6.B**. Funds associated with direct tuition payment for individuals or groups, and development and dissemination of credit-bearing coursework must meet the needs and access preferences of the ECE workforce within the region. Selected Applicants must:

1. Negotiate all tuition and credit costs at the lowest possible rate;
2. Establish procedures to allow IHEs to invoice and receive payment for individuals or groups in a regular and timely fashion; and
3. Implement a monitoring process so that contracted deliverables, such as newly developed course modules or classes, are completed and offered in accordance with agreed-upon terms.

- D. Communication.** The selected Applicant(s) will develop and implement communication strategies to inform the ECE workforce of credit-bearing PD opportunities and to obtain feedback from ECE providers and ELRCs about workforce needs. The selected Applicant(s) will communicate new opportunities to ECE providers.

Upon request from the Department, the selected Applicant(s) will distribute to ECE providers information on services offered and other information on quality initiatives and support services offered by the Department or the Department's business partners.

The selected Applicant(s) will provide comprehensive information on all agency services; provide a timely response to all inquiries within two (2) business days; and resolve complaints within two (2) business days in a professional manner.

- E. Education Regarding Pennsylvania's Early Care and Education System.** The selected Applicant(s) will advocate to all ECE providers to progress to higher Keystone STARS levels, participate in the credit-bearing PD system, and increase their educational attainment. The selected Applicant(s) will review funding priorities to promote credit-bearing offerings and explore alternative higher education opportunities, such as distance or online education and on-the-job learning through apprenticeship models, portfolios, or competency-based education



**F. ECE Workforce Recruitment and Individualized PD.** The Applicant should describe its understanding of the demographics of the population of the ECE workforce in their proposed service region and must describe their outreach and engagement strategies for underserved and hard to reach populations in the service region proposed. The Applicant should specifically address an approach to reduce barriers to credit-bearing PD opportunities. The Applicant will identify special diverse ECE workforce populations in the region proposed and include a description of strategies to support ECE providers' PD needs in supporting children with limited or no English proficiency as well as ECE workforce members themselves with LEP in developmentally and culturally appropriate ways.

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

During turnover, the selected Applicant(s) will ensure that program stakeholders do not experience any adverse impact from the transfer of services. Six (6) months prior to the end of the grant term, or upon the Department's request, the selected Applicant(s) must develop and submit a Turnover Plan, which specifies the proposed transition schedule, activities, and resource requirements for the necessary turnover tasks to be implemented upon the Department's request.

The selected Applicant(s) must:

- Execute the approved Turnover Plan in cooperation with the incoming selected Applicant's Transition Plan.
- Maintain service delivery staffing levels during the turnover period unless otherwise expressly approved by the DHS Grant Administrator.
- Work closely with the Department to ensure that this turnover of responsibilities and the necessary knowledge transfer are completed by the end of the grant period.
- Respond in a reasonable time to all Department requests regarding turnover information.

**H. Funds Management.** The selected Applicant(s) will develop and implement a funding strategy specifying layering and leveraging of federal, state, and local resources to support the enrollment of the ECE workforce. Strategy must address an equity approach towards enrollment and funding with priority given to ECE professionals serving high numbers of children accessing Child Care Works funding. The Selected Applicant will utilize all direct service allocations annually to support ECE workforce enrollment in credit-bearing coursework.

**III-7. Reports and Project Control.** The Applicant must describe its management approach, including how it will implement its proposed work plan. Where applicable, the Applicant should provide specific examples of methodologies or approaches, including monitoring approaches, it will use to fulfill the RFA requirements and examples of similar experience and approaches on comparable projects. The Applicant must describe the management and monitoring controls it will use to achieve the required quality of contract services and all performance requirements for itself and the IHEs included in the scope of the project.

The selected Applicant must submit quarterly and annual progress reports on the 15<sup>th</sup> of the month. After award, DHS will issue a calendar of report due dates. Reports are required to align with approved project plans covering activities, problems, and recommendations. The Applicant should describe the approach it will take to establish, capture, document, evaluate, and report on core performance metrics required by the RFA. Describe the strategies that ensure data and benchmarks, goals and objectives are met. Upon

request, selected applicants should be prepared to enter data into a central reporting and monitoring system.

## PART IV

### BUDGET SUBMITTAL

- A. Budget Submittal.** The information requested in this **Part IV** shall constitute the Budget Submittal. The selected Applicant(s) will be limited to twenty percent (20%) of the funding allocation for staffing and operations inclusive of all associated operating costs. These amounts are defined by region in **Appendix C**. Examples may include salaries and benefits, travel, and space.

The funds identified as “Set Aside for Credit-bearing Coursework” in **Appendix C** will be allocated to each ECE PDO Service Region for use to address development, delivery and tuition assistance of credit-bearing content that results in the completion of the approved plan addressed in **Section III-6.B**.

The total proposed Budget should **only** address the staffing and operations portion for each region. This budget should be broken down into the components set forth in **Appendix K – Budget Submittal**. The budget for the “Set Aside for Credit-bearing Coursework” will be submitted as part of the plan created as a result of the requirements of **Section III-6.B** no later than September 30, 2019. Applicants should **not** include any assumptions in their Budget submittals. If the Applicant includes assumptions in its Budget submittal, DHS may reject the application. Applicants should direct in writing to the Issuing Officer pursuant to **Part I, Section I-11** of this RFA any questions about whether a cost or other component is included or applies. All Applicants will then have the benefit of the DHS’s written answer so that all applications are submitted on the same basis.

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

## PART V

### STANDARD GRANT TERMS AND CONDITIONS FOR SERVICES

#### 1. TERM OF GRANT

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

#### 2. INDEPENDENT GRANTEE

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

#### 3. COMPLIANCE WITH LAW

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

#### 4. ENVIRONMENTAL PROVISIONS

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

#### 5. POST-CONSUMER RECYCLED CONTENT

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

#### 6. COMPENSATION/EXPENSES

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

#### 7. INVOICES

Unless the Grantee has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Grantee shall send an *invoice itemized by line item* to the address referenced on the grant promptly after services are satisfactorily completed. The invoice should include only amounts due under the Grant agreement. The grant number must be included on all invoices. In addition, the Commonwealth shall have the right to require the Grantee to prepare and submit a "Work In Progress" sheet that contains, at a minimum, the tasks performed, number of hours, hourly rate, and the Grant number or task order to which it refers.

## **8. PAYMENT**

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

## **9. TAXES**

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

## **10. WARRANTY**

The Grantee warrants that all services performed by the Grantee, its agents and subGrantees shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Grant, all services and parts are warranted for a period of one year following completion of performance by the Grantee and acceptance by the Commonwealth. The Grantee shall correct any problem with the service and/or replace any defective part with a part of equivalent or superior quality without any additional cost to the Commonwealth.

## **11. PATENT, COPYRIGHT, AND TRADEMARK INDEMNITY**

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

## **12. OWNERSHIP RIGHTS**

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

## **13. ASSIGNMENT OF ANTITRUST CLAIMS**

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

## **14. HOLD HARMLESS PROVISION**

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

## 15. AUDIT PROVISIONS

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the Grantee to the extent that the books, documents and records relate to costs or pricing data for the Grant. The Grantee agrees to maintain records which will support the prices charged and costs incurred for the Grant. The Grantee shall preserve books, documents, and records that relate to costs or pricing data for the Grant for a period of five (5) years from date of final payment. The Grantee shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

## 16. DEFAULT

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

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

## 17. FORCE MAJEURE

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

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

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

## 18. TERMINATION PROVISIONS

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

- a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Grant for its convenience if the Commonwealth determines termination to be in its best interest. The Grantee shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Grantee be entitled to recover loss of profits.
- b. **NON-APPROPRIATION:** The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Grant. The Grantee shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under this Grant. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid for any appropriations available for that purpose
- c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Grant for Grantee default under Paragraph 16, Default, upon written notice to the Grantee. The Commonwealth shall also have the right, upon written notice to the Grantee, to terminate the Grant



for other cause as specified in this Grant or by law. If it is later determined that the Commonwealth erred in terminating the Grant for cause, then, at the Commonwealth's discretion, the Grant shall be deemed to have been terminated for convenience under the Subparagraph 18.a.

## **19. GRANT CONTROVERSIES**

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

## **20. ASSIGNABILITY AND SUBGRANTING**

- a. Subject to the terms and conditions of this Paragraph 20, this Grant shall be binding upon the parties and their respective successors and assigns.
- b. The Grantee shall not subGrant with any person or entity to perform all or any part of the work to be performed under this Grant without the prior written consent of the Granting Officer, which consent may be withheld at the sole and absolute discretion of the Granting Officer.
- c. The Grantee may not assign, in whole or in part, this Grant or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Granting Officer, which consent may be withheld at the sole and absolute discretion of the Granting Officer.
- d. Notwithstanding the foregoing, the Grantee may, without the consent of the Granting Officer, assign its rights to payment to be received under the Grant, provided that the Grantee provides written notice of such assignment to the Granting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Grant.
- e. For the purposes of this Grant, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Grantee provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.

- f. Any assignment consented to by the Granting Officer shall be evidenced by a written assignment agreement executed by the Grantee and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Grant and to assume the duties, obligations, and responsibilities being assigned.
- g. A change of name by the Grantee, following which the Grantee's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Grantee shall give the Granting Officer written notice of any such change of name.

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

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

- a. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the grant agreement or any subgrant agreement, contract, or subcontract, the Grantee, a subgrantee, a contractor, a subcontractor, or any person acting on behalf of the Grantee shall not discriminate in violation of the Pennsylvania Human Relations Act (PHRA) and applicable federal laws against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- b. The Grantee, any subgrantee, contractor, or any subcontractor or any person on their behalf shall not in any manner discriminate in violation of the PHRA and applicable federal laws against or intimidate any of its employees.
- c. The Grantee, any subgrantee, contractor, or any subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the grant services are performed shall satisfy this requirement.
- d. The Grantee, any subgrantee, contractor, or any subcontractor shall not discriminate in violation of the PHRA and applicable federal laws against any subgrantee, contractor, subcontractor, or supplier who is qualified to perform the work to which the grant relates.
- e. The Grantee and each subgrantee, contractor and subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws and regulations relating to nondiscrimination and sexual harassment. The Grantee and each subgrantee, contractor and subcontractor further represents that it has filed a Standard Form 100 Employer Information Report ("EEO-1") with the U.S. Equal Employment Opportunity Commission ("EEOC") and shall file an annual EEO-1 report with the EEOC as required for employers subject to Title VII of the Civil Rights Act of 1964, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Grantee, any subgrantee, any contractor, or any subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the granting agency and the Bureau of Small Business Opportunities (BSBO), for the purpose of ascertaining compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause.

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

## 22. CONTRACTOR INTEGRITY PROVISIONS

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

1. **DEFINITIONS.** For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:
  - a. **"Affiliate"** means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or c) the entities have a common proprietor or general partner.
  - b. **"Consent"** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.
  - c. **"Contractor"** means the individual or entity that has entered into this contract with the Commonwealth.
  - d. **"Contractor Related Parties"** means any affiliates of the Contractor and the Contractor's executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.
  - e. **"Financial Interest"** means either:
    - (1) Ownership of more than a five percent interest in any business; or
    - (2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.

- f. **“Gratuity”** means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor’s Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b)*, shall apply.
- g. **“Non-bid Basis”** means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

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

- a. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.
- b. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
- c. Contractor, its affiliates, agents, employees, and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive, or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.
- d. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor’s financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor’s submission of the contract signed by Contractor.
- e. Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:
  - (1) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
  - (2) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;
  - (3) had any business license or professional license suspended or revoked;
  - (4) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation, or anti-trust; and

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

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

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

- f. When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.
- g. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies, and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- h. Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining

subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.

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

### **23. GRANTEE RESPONSIBILITY PROVISIONS**

- a. The Grantee certifies, for itself and all its subGrantees, that as of the date of its execution of this Bid/Grant, that neither the Grantee, nor any subGrantees, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Grantee cannot so certify, then it agrees to submit, along with its Bid, a written explanation of why such certification cannot be made.
- b. The Grantee also certifies, that as of the date of its execution of this Bid/Grant, it has no tax liabilities or other Commonwealth obligations.
- c. The Grantee's obligations pursuant to these provisions are ongoing from and after the effective date of the Grant through the termination date thereof. Accordingly, the Grantee shall have an obligation to inform the Commonwealth if, at any time during the term of the Grant, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its subGrantees are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
- d. The failure of the Grantee to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Grant with the Commonwealth.
- e. The Grantee agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for Investigations of the Grantee's compliance with the terms of this or any other agreement between the Grantee and the Commonwealth, which results in the suspension or debarment of the Grantee. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Grantee shall not be responsible for investigative costs for investigations that do not result in the Grantee's suspension or debarment.
- f. The Grantee may obtain a current list of suspended and debarred Commonwealth Grantees by either searching the internet at <http://www.dgs.state.pa.us> or contacting the:

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

## **24. AMERICANS WITH DISABILITIES ACT**

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

## **25. HAZARDOUS SUBSTANCES**

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

- a. Labeling. The Grantee shall insure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by the Grantee is clearly labeled, tagged or marked with the information listed in Paragraph (1) through (4):
  - 1) Hazardous substances:
    - a) The chemical name or common name,
    - b) A hazard warning, and
    - c) The name, address, and telephone number of the manufacturer.
  - 2) Hazardous mixtures:
    - a) The common name, but if none exists, then the trade name,
    - b) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
    - c) The chemical or common name of hazardous substances consisting 1.0% or more of the mixture,
    - d) A hazard warning, and
    - e) The name, address, and telephone number of the manufacturer.

3) Single chemicals:

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

4) Chemical Mixtures:

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

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

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

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

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

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

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



## **26. COVENANT AGAINST CONTINGENT FEES**

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

## **27. APPLICABLE LAW**

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

## **28. INTEGRATION**

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

## **29. CHANGE ORDERS**

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

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

### 30. RIGHT TO KNOW LAW 8-K-1580

- a. Grantee or Subgrantee understands that this Grant Agreement and records related to or arising out of the Grant Agreement are subject to requests made pursuant to the Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, (“RTKL”). For the purpose of these provisions, the term “the Commonwealth” shall refer to the granting Commonwealth agency.
- b. If the Commonwealth needs the Grantee’s or Subgrantee’s assistance in any matter arising out of the RTKL related to this Grant Agreement, it shall notify the Grantee or Subgrantee using the legal contact information provided in the Grant Agreement. The Grantee or Subgrantee, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.
- c. Upon written notification from the Commonwealth that it requires Grantee’s or Subgrantee’s assistance in responding to a request under the RTKL for information related to this Grant Agreement that may be in Grantee’s or Subgrantee’s possession, constituting, or alleged to constitute, a public record in accordance with the RTKL (“Requested Information”), Grantee or Subgrantee shall:
  1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in Grantee’s or Subgrantee’s possession arising out of this Grant Agreement that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
  2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Grant Agreement.
- d. If Grantee or Subgrantee considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that Grantee or Subgrantee considers exempt from production under the RTKL, Grantee or Subgrantee must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of Grantee or Subgrantee explaining why the requested material is exempt from public disclosure under the RTKL.
- e. The Commonwealth will rely upon the written statement from Grantee or Subgrantee in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, Grantee or Subgrantee shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth’s determination.
- f. If Grantee or Subgrantee fails to provide the Requested Information within the time period required by these provisions, Grantee or Subgrantee shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of Grantee’s or Subgrantee’s failure, including any statutory damages assessed against the Commonwealth.
- g. The Commonwealth will reimburse Grantee or Subgrantee for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by

the office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.

- h. Grantee or Subgrantee may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, Grantee or Subgrantee shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of Grantee's or Subgrantee's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, Grantee or Subgrantee agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.
- i. The Grantee's or Subgrantee's duties relating to the RTKL are continuing duties that survive the expiration of this Grant Agreement and shall continue as long as the Grantee or Subgrantee has Requested Information in its possession.

DEPARTMENT OF HUMAN SERVICES ADDENDUM TO  
STANDARD CONTRACT TERMS AND CONDITIONS

A. APPLICABILITY

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

B. CONFIDENTIALITY

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

C. INFORMATION

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

D. CERTIFICATION AND LICENSING

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

E. PROGRAM SERVICES

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

F. CHILD PROTECTIVE SERVICE LAWS

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

G. PRO-CHILDREN ACT OF 1994

The Contractor agrees to comply with the requirements of the Pro-Children Act of 1994; Public Law 103-277, Part C-Environment Tobacco Smoke (also known as the Pro-Children Act of 1994) requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely

or regularly for the provision of health care services, child care, and education to children under the age of 18, if the services are funded by Federal programs whether directly or through State and Local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees and contracts. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug and alcohol treatment.

#### H. MEDICARE/MEDICAID REIMBURSEMENT

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

#### I. TRAVEL AND PER DIEM EXPENSES

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

#### J. INSURANCE

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

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

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

#### K. PROPERTY AND SUPPLIES

1. Contractor agrees to obtain all supplies and equipment for use in the performance of this contract at the lowest practicable cost and to purchase by means of competitive bidding whenever required by law.
2. Title to all property furnished in-kind by the Department shall remain with the Department.
3. Contractor has title to all personal property acquired by the contractor, including purchase by lease/purchase agreement, for which the contractor is to be reimbursed under this contract. Upon cancellation or termination of this contract, disposition of such purchased personal property which has a remaining useful life shall be made in accordance with the following provisions.
  - a. The contractor and the Department may agree to transfer any item of such purchased property to another contractor designated by the Department. Cost of transportation shall be born by the contractor receiving the property and will be reimbursed by the Department. Title to all transferred property shall vest in the designated contractor. The Department will reimburse the Contractor for its share, if any, of the value of the remaining life of the property in the same manner as provided under subclause b of this paragraph.
  - b. If the contractor wishes to retain any items of such purchased property, depreciation tables shall be used to ascertain the value of the remaining useful life of the property. The contractor shall reimburse the Department in the amount determined from the tables.
  - c. When authorized by the Department in writing, the contractor may sell the property and reimburse the Department for its share. The Department reserves the right to fix the minimum sale price it will accept.
4. All property furnished by the Department or personal property acquired by the contractor, including purchase by lease-purchase contract, for which the contractor is to be reimbursed under this contract shall be deemed "Department Property" for the purposes of subsection 5, 6 and 7 of this section.

5. Contractor shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, preservation and insurance of Department Property so as to assure its full availability and usefulness.
6. Department property shall, unless otherwise approved in writing by the Department, be used only for the performance of this contract.
7. In the event that the contractor is indemnified, reimbursed or otherwise compensated for any loss, destruction or damage to Department Property, it shall use the proceeds to replace, repair or renovate the property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall reimburse the Department, at the Department's direction.

#### L. DISASTERS

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

#### M. SUSPENSION OR DEBARMENT

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

#### N. COVENANT AGAINST CONTINGENT FEES

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

#### O. CONTRACTOR'S CONFLICT OF INTEREST

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

#### P. INTEREST OF THE COMMONWEALTH AND OTHERS

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

#### Q. CONTRACTOR RESPONSIBILITY TO EMPLOY WELFARE CLIENTS

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

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

## R. TUBERCULOSIS CONTROL

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



## S. ACT 13 PROPOSAL TO CONTRACTOR

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

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

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

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

Commonwealth agencies will not contract with outside firms or individuals to perform lobbying services, regardless of the source of funds. With respect to an award of a federal contract, grant, or cooperative agreement exceeding \$100,000 or an award of a federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding \$150,000 all recipients must certify that they will not use federal funds for lobbying and must disclose the use of non-federal funds for lobbying by filing required documentation. The contractor will be required to complete and return a "Lobbying Certification Form" and a "Disclosure of Lobbying Activities form" with their signed contract, which forms will be made attachments to the contract.

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

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

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## SUBRECIPIENT / CONTRACTOR AUDITS

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### AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

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

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

#### **A. Federal Audit Requirements – Local Governments and Nonprofit Organizations**

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

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

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

#### **B. Department of Human Services Audit Requirements**

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

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

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

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## SUBRECIPIENT / CONTRACTOR AUDITS

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### AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

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

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

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

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

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

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

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## **SUBRECIPIENT / CONTRACTOR AUDITS**

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### **AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations**

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#### **GENERAL AUDIT PROVISIONS**

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

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

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

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

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

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

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

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## SUBRECIPIENT / CONTRACTOR AUDITS

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### AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

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#### SUBMISSION OF AUDIT REPORTS TO THE COMMONWEALTH

##### **A. Federally Required Audit Reports**

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

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

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

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## SUBRECIPIENT / CONTRACTOR AUDITS

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### AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

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

**Steps for submission:**

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

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

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

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

#### **B. DHS Required Audit Reports and Additional Submission by Subrecipients**

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

Program Name/ Contract Number      Referenced Schedule/Exhibit

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

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## SUBRECIPIENT / CONTRACTOR AUDITS

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### AUDIT CLAUSE A – SUBRECIPIENT

#### Local Governments and Nonprofit Organizations

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

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

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

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

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## SUBRECIPIENT / CONTRACTOR AUDITS

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### AUDIT CLAUSE A – SUBRECIPIENT Local Governments and Nonprofit Organizations

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#### PERIOD SUBJECT TO AUDIT

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

#### CORRECTIVE ACTION PLAN

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

#### REMEDIES FOR NONCOMPLIANCE

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

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

#### TECHNICAL ASSISTANCE

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

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



## SUBRECIPIENT / CONTRACTOR AUDITS

<u>SUBRECIPIENT / CONTRACTOR AUDITS</u>						
AUDIT CLAUSE A – SUBRECIPIENT						
Local Governments and Nonprofit Organizations						
<u>ENCLOSURE I</u>						
Entity Name						
Year Ended (ORGANIZATION'S FINANCIAL STATEMENT DATE)						
SUPPLEMENTAL SCHEDULE						
RECONCILIATION						
Federal Awards Passed through the Pennsylvania Department of Human Services						
Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply						
<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures per the SEFA</u>	<u>Federal Awards Received per the audit confirmation reply from Pennsylvania</u>	<u>Difference</u>	<u>Detailed Explanation of the Differences</u>	
		\$	\$	\$		

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## SUBRECIPEINT / CONTRACTOR AUDITS

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### AUDIT CLAUSE B – SUBRECIPIENT For-Profit Organizations

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

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

#### **A. Federal Audit Requirements – For-Profit Organizations**

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

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

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

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

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## SUBRECIPEINT / CONTRACTOR AUDITS

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### AUDIT CLAUSE B – SUBRECIPIENT For-Profit Organizations

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#### **B. Department of Human Services Audit Requirements**

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

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

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

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

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

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

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

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

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## **SUBRECIPEINT / CONTRACTOR AUDITS**

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### **AUDIT CLAUSE B – SUBRECIPIENT For-Profit Organizations**

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#### **GENERAL AUDIT PROVISIONS**

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

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

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

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

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

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

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

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## SUBRECIPEINT / CONTRACTOR AUDITS

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### AUDIT CLAUSE B – SUBRECIPIENT For-Profit Organizations

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#### SUBMISSION OF AUDIT REPORT TO THE COMMONWEALTH

##### **A. Federally Required Audit Reports**

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

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

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

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

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# SUBRECIPEINT / CONTRACTOR AUDITS

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## SUBRECIPIENT AUDIT CLAUSE B For-Profit Organization

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### Steps for submission:

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

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

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

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

### **B. DHS Required Audit Reports and Additional Submission by Subrecipients**

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

Program Name/ Contract Number      Referenced Schedule/Exhibit

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

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

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## SUBRECIPEINT / CONTRACTOR AUDITS

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### SUBRECIPIENT AUDIT CLAUSE B For-Profit Organization

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

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

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

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

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## SUBRECIPEINT / CONTRACTOR AUDITS

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### SUBRECIPIENT AUDIT CLAUSE B For-Profit Organization

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#### PERIOD SUBJECT TO AUDIT

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

#### CORRECTIVE ACTION PLAN

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

#### REMEDIES FOR NONCOMPLIANCE

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

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

#### TECHNICAL ASSISTANCE

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

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



# SUBRECIPIENT / CONTRACTOR AUDITS

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<u>SUBRECIPIENT / CONTRACTOR AUDITS</u>						
AUDIT CLAUSE B – SUBRECIPIENT						
For-Profit Organizations						
<u>ENCLOSURE I</u>						
Entity Name						
Year Ended (ORGANIZATION'S FINANCIAL STATEMENT DATE)						
SUPPLEMENTAL SCHEDULE						
RECONCILIATION						
Federal Awards Passed through the Pennsylvania Department of Human Services						
Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply						
<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures per the SEFA</u>	<u>Federal Awards Received per the audit confirmation reply from Pennsylvania</u>	<u>Difference</u>	<u>Detailed Explanation of the Differences</u>	
		\$	\$	\$		