

APPENDIX G

**Standard Grant Terms and Conditions,
DHS Addendum to Terms and Conditions, and
Audit Clause A/B**

STANDARD GRANT TERMS AND CONDITIONS FOR SERVICES

1. DEFINITIONS

Capitalized terms used in these Commonwealth standard terms and conditions that are not otherwise defined in these provisions have the meanings specified in the agreement to which it is attached.

2. TERM OF GRANT

The term of the grant commences on the Effective Date, as defined below, and ends on the Expiration Date identified in the grant, subject to the other provisions of the grant. The Effective Date is the date the grant has been fully executed by the Grantee and by the Commonwealth and all approvals required by Commonwealth procurement procedures have been obtained. The agreement is not binding in any way on the Commonwealth or the Department until it has been fully executed, as prescribed in the preceding sentence, and sent to the Grantee. The Department may, upon notice to the Grantee, extend the term of the grant for up to three months upon the same terms and conditions.

3. INDEPENDENT GRANTEE

In performing the services required by the agreement, the Grantee will act as an independent grantee and not as an employee or agent of the Commonwealth. The Grantee is responsible for all services in this grant whether or not Grantee provides them directly. Further, the Grantee is the sole point of contact with regard to all agreement matters, including payment of any and all charges resulting from the agreement.

4. 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.

5. ENVIRONMENTAL PROVISIONS

In the performance of the grant, the Grantee shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations, including, but not limited to, the Clean Streams Law Act of June 22, 1937 (P.L. 1987, No. 394), as amended, 35 P.S. § 691.1 *et seq.*; the Pennsylvania Solid Waste Management Act, Act of July 7, 1980 (P.L. 380, No. 97), as amended, 35 P.S. § 6018.101 *et seq.*; and the Dam Safety and Encroachment Act, Act of November 26, 1978 (P.L. 1375, No. 325), as amended, 32 P.S. § 693.1 *et seq.*

6. POST-CONSUMER RECYCLED CONTENT; RECYCLED CONTENT ENFORCEMENT. (July 2022)

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 by the Environmental Protection Agency in its Comprehensive Procurement Guidelines, which can be found at <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

The Grantee may be required, after delivery of the grant item(s), to provide the Commonwealth with documentary evidence that the item(s) was in fact produced with the required minimum percentage of post-consumer and recovered material content.

7. **COMPENSATION/EXPENSES**

The Grantee shall perform the specified services at the price(s) quoted in the grant. Grantee shall perform all services 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.

8. **BILLING REQUIREMENTS**

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 may 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.

9. **PAYMENT**

- A. **Payment Date.** 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. 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 date established by (a) and (b) above.
- B. **Delay; Interest.** 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 15 days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act of December 13, 1982, P.L. 1155, No. 266, 72 P.S. § 1507, (relating to interest penalties on Commonwealth accounts) and accompanying regulations 4 Pa. Code §§ 2.31—2.40 (relating to interest penalties for late payments to qualified small business concerns).
- C. Payment should not be construed by the Grantee as acceptance of the service performed by the Grantee. The Commonwealth may conduct further testing and inspection after payment, but within a reasonable time after performance, and reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications.
- D. **Offset (2023).** The Commonwealth may set off the amount of any state tax liability or other obligation of the Grantee, or its subsidiaries, owed to the Commonwealth against any payments due the Grantee under any contract between the Commonwealth and Grantee.
- E. **Purchasing Card.** The Commonwealth may use the Commonwealth purchasing card to make purchases under the grant. 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.
- F. **Automated Clearing House (ACH) Payments (2023).**
 - a. **Payment Method.** The Commonwealth shall make payments to the Grantee through the Automated Clearing House ("ACH"). Within 10 days of the grant award, the Grantee must submit or must have submitted its ACH information within its user profile in the Commonwealth's Master Database. The

Grantee may enroll to receive remittance information via electronic addenda and email (e-Remittance). ACH and e-Remittance information is available at the following:

<https://www.budget.pa.gov/Services/ForVendors/Pages/Direct-Deposit-and-e-Remittance.aspx>

- b. Unique Identifier. The Grantee must submit a unique invoice number with each invoice submitted. The Commonwealth shall list the Grantee's unique invoice number on its ACH remittance advice to enable the Grantee to properly apply the state agency's payment to the respective invoice or program.
- c. ACH Information in the Commonwealth's Master Database. The Grantee shall ensure that the ACH information contained in Commonwealth's Master Database is accurate and complete. The Grantee's failure to maintain accurate and complete information may result in delays in payments.

10. 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.

11. WARRANTY

The Grantee warrants that all services performed by the Grantee, its agents and subgrantees will 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 or replace any defective part with a part of equivalent or superior quality without any additional cost to the Commonwealth.

12. PATENT, COPYRIGHT, TRADEMARK AND TRADE SECRET PROTECTION

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, trademark, or trade secret infringement in the United States of any of the products provided or used in the performance of the grant. The Commonwealth shall give the Grantee prompt notification such suit or proceeding; full right, authorization, and opportunity to conduct the defense of the suit or proceeding; 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 will be at the Grantee's expense, but the responsibility for such expense will 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 must 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.

13. 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.

14. 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.

15. AUDIT PROVISIONS

The Commonwealth and its authorized representatives 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 shall maintain records which 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 the greater of a period of five years from date of final payment or the period identified in any Audit Clause attached to the agreement. The Grantee shall give full and free access to all records to the Commonwealth and its 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 of the default 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:
- a.** Failure to begin work within the time specified in the Grant or as otherwise specified;
 - b.** 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;
 - c.** Unsatisfactory performance of the work;
 - d.** Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
 - e.** Discontinuance of work without approval;
 - f.** Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
 - g.** Insolvency or bankruptcy;
 - h.** Assignment made for the benefit of creditors;
 - i.** Failure or refusal within 10 days after written notice by the Grant 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;
 - j.** Failure to protect, to repair, or to make good any damage or injury to property;
 - k.** Breach of any provision of this Grant;

- l.** Failure to comply with representations made in its application or agreement; or
 - m.** Failure to comply with applicable industry standards, customs, and practice.
- B.** If 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 Department, 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 will 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 will be in an amount agreed upon by the Grantee and the Department. The Commonwealth may withhold from amounts otherwise due the Grantee for such completed or partially completed works, such sum as the Department determines to be necessary to protect the Commonwealth against loss.
- D.** The rights and remedies of the Commonwealth provided in this paragraph are 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 will 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.

17. FORCE MAJEURE

- A.** 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 are not 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.
- B.** The Grantee shall notify the Commonwealth orally within five days and in writing within 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 will 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 terminate the grant or to extend the time for performance as reasonably necessary to compensate for the Grantee's delay.
- C.** 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 may terminate this Grant for any of the following reasons. Termination will be effective upon written notice to the Grantee unless the notice specifies an effective date for the termination.

- A. Termination for Convenience. The Commonwealth may 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 anticipated profits, loss of use of money, or administrative or overhead costs.
- B. Non-Appropriation. The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year will be subject to availability and appropriation of funds. When funds (state or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth may terminate the grant in whole or in part. The Grantee will 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 will 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 may terminate the grant for Grantee default under Paragraph 16, Default. The Commonwealth may also 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 will be deemed to have been terminated for convenience under the Subparagraph 18.a.

19. INDEMNIFICATION (2023)

The Grantee shall indemnify and defend the Commonwealth against all third-party claims, suits, demands, losses, damages, costs, and expenses, including without limitation, litigation expenses, attorneys' fees, and liabilities, arising out of or in connection with any activities performed by the Grantee or its employees and agents pursuant to this agreement, as determined by the Commonwealth in its sole discretion.

20. ASSIGNABILITY AND SUBGRANTING

- A. Subject to the terms and conditions of this Paragraph 20, this grant is 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 Commonwealth, which consent may be withheld at the sole and absolute discretion of the Commonwealth.
- C. The Grantee may not assign, in whole or in part, this grant or its rights, duties, obligations, or responsibilities under this agreement without the prior written consent of the Commonwealth, which consent may be withheld at the sole and absolute discretion of the Commonwealth.
- D. Notwithstanding the foregoing, the Grantee may, without the consent of the Commonwealth, assign its rights to payment to be received under the Grant, provided that the Grantee provides written notice of such assignment to the Commonwealth 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" includes, but is not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Grantee provided, however, that the term will not apply to the sale or other transfer of stock of a publicly traded company.
- F. Any assignment consented to by the Commonwealth must 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, will not be considered to be an assignment. The Grantee shall give the Commonwealth written notice of any such change of name.

21. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE (2023)

- A. Representations. The Grantee represents that it is presently in compliance with and will remain in compliance with all applicable federal, state, and local laws, regulations, and policies relating to nondiscrimination and sexual harassment for the term of the agreement. The Grantee 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 its books, records, and accounts by the Commonwealth for the purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.
- B. Nondiscrimination/Sexual Harassment Obligations. The Grantee shall not:
- a. in any manner discriminate in the hiring of any employee(s) for the performance of the activities required under this agreement or any subgrant agreement, contract, or subcontract, by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act ("PHRA") and applicable federal laws, against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
 - b. in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, against or intimidate any of its employees.
 - c. in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, in the provision of services under this agreement or any subgrant agreement, contract, or subcontract.
 - d. in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of PHRA and applicable federal laws, against any subgrantee, contractor, subcontractor, or supplier who is qualified to perform the work to which this agreement relates.
 - e. in any manner discriminate against employees by reason of participation in or decision to refrain from participating in labor activities protected under the Public Employee Relations Act, Pennsylvania Labor Relations Act, or National Labor Relations Act, as applicable, and to the extent determined by entities charged with the Acts' enforcement and shall comply with any provision of law establishing organizations as employees' exclusive representatives.
- C. Establishment of Grantee Policy. The Grantee shall establish and maintain a written nondiscrimination and sexual harassment policy that complies with the applicable law and these Nondiscrimination/Sexual Harassment provisions and shall inform its employees in writing of the policy. The policy must contain a provision that states that sexual harassment will not be tolerated and employees who practice it will be disciplined. For the entire period of this agreement, the Grantee shall: (1) post its written nondiscrimination and sexual harassment policy or these Nondiscrimination/Sexual Harassment provisions conspicuously in easily accessible and well-lighted places customarily frequented by employees at or near where the grant activities are performed; or (2) provide electronic notice of the policy or this clause to its employees not less than annually.
- D. Notification of Violations. The Grantee's obligations pursuant to these provisions are ongoing from the effective date and through the termination date of the agreement. Accordingly, the Grantee shall notify the Commonwealth if, at any time during the term of this agreement, it becomes aware of any actions or occurrences that would result in violation of these provisions.

- E. Cancellation or Termination of Agreement. The Commonwealth may cancel or terminate this agreement and all money due or to become due under this agreement may be forfeited for a violation of the terms and conditions of these Nondiscrimination/Sexual Harassment provisions. In addition, the granting agency may proceed with debarment or suspension and may place the Grantee in the Contractor Responsibility File.
- F. Subgrant Agreements, Contracts, and Subcontracts. The Grantee shall include these Nondiscrimination/Sexual Harassment provisions in its subgrant agreements, contracts, and subcontracts with all subgrantees, contractors, and subcontractors providing goods or services under this agreement. The incorporation of these provisions in the Grantor's subgrants, contracts, or subcontracts does not create privity of contract between the Commonwealth and any subgrantee, contractor, or subcontractor, and no third-party beneficiaries are created by those provisions. If the Grantee becomes aware of a subgrantee's, contractor's, or subcontractor's violation of these provisions, the Grantee shall use its best efforts to ensure the subgrantee's, contractor's, or subcontractor's compliance with these provisions.

22. **GRANTEE INTEGRITY PROVISIONS (October 2023)**

- A. Definitions. For purposes of these Grantee Integrity Provisions, the following definitions apply:
- a. "Affiliate" means two or more entities where (a) a parent entity owns more than 50% of the voting stock of each of the entities; (b) a common shareholder or group of shareholders owns more than 50% of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.
 - b. "Grantee" means the individual or entity, that has entered into this agreement with the Commonwealth.
 - c. "Grantee Related Parties" means any Affiliates of the Grantee and the Grantee's executive officers, Pennsylvania officers and directors, or owners of five percent or more interest in the Grantee.
 - d. "Financial Interest" means ownership of more than a five percent interest in any business or holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
 - e. "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](#), as may be amended, 4 Pa. Code §7.153(b), apply.
 - f. "Non-Solicitation Award Process" means a method of awarding grants based on predetermined criteria, without the solicitation of grant applications.
- B. Representations and Warranties.
- a. **Grantee Representation and Warranties.** The Grantee represents, to the best of its knowledge and belief, and warrants that within the last five years neither the Grantee nor Grantee Related Parties have:
 - i. been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
 - ii. been suspended, debarred, or otherwise disqualified from entering into any contract with any governmental agency;
 - iii. had any business license or professional license suspended or revoked;

- iv. 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
- v. been, and are not currently, the subject of a criminal investigation by any federal, state, or local prosecuting or investigative agency or civil anti-trust investigation by any federal, state, or local prosecuting or investigative agency.

- b. **Contractor Explanation.** If the Grantee cannot make the representations and warranties set forth above at the time of its submission of its grant application or if the agreement is awarded pursuant to a Non-Solicitation Award Process at the time of the execution of the agreement, the Grantee shall submit a written explanation outlining the reasons why it cannot make those representations and warranties. The Commonwealth may, based on its evaluation of the explanation provided, determine whether it is in the Commonwealth's best interest to execute the agreement.
- c. **Further Representations.** By submitting any bills, invoices, or requests for payment pursuant to the agreement, the Grantee further represents that it has not violated any of these Grantee Integrity Provisions during the term of the agreement.
- d. **Notice.** The Grantee shall immediately notify the Commonwealth, in writing, if at any time during the term of the agreement it becomes aware of any event that would cause the Contractor's certification or explanation to change. The Grantee acknowledges that the Commonwealth may, in its sole discretion, terminate the agreement for cause if it learns that any of the certifications made in these Grantee Integrity Provisions are currently false or misleading due to intervening factual circumstances or were false or misleading or should have been known to be false or misleading when entering into the agreement.

C. **Grantee Responsibilities.** During the term of this agreement, the Grantee shall:

- a. maintain the highest standards of honesty and integrity.
- b. take no action in violation of any applicable laws, regulations, or other requirements applicable to the Grantee that govern Commonwealth contracting or grant administration.
- c. establish and implement a written business integrity policy that includes, at a minimum, the requirements of these Grantee Integrity Provisions as they relate to the Grantee's activity with the Commonwealth and Commonwealth employees and ensure that its employees comply with the policy.
- d. not accept, agree to give, offer, confer, 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, statement of policy, management directive, or bulletin applicable to the award of grants or the administration of this agreement.
- e. not have a financial interest in any other subgrantee, contractor, subcontractor, or supplier providing services, labor, or material under this agreement, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Grantee's financial interest. The Grantee must disclose the financial interest to the Commonwealth at the time of submission of its grant application, or if a Non-Solicitation Award Process is used, no later than the date the Grantee signs the agreement. The Commonwealth shall be deemed to have consented if the required disclosure is received and all of the required Commonwealth signatures are affixed.
- f. comply with the requirements of the Lobbying Disclosure Act (65 Pa.C.S. § 13A01 et seq.) regardless of the method of award.

- g. comply with the requirements of Section 1641 of the Pennsylvania Election Code (25 P.S. § 3260a) if this agreement was awarded pursuant to a Non-Solicitation Award Process.
 - h. immediately notify the Commonwealth or the Office of the State Inspector General, in writing, when the Grantee has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Grantee 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 the ethical standards.
- D. Investigations.** If a State Inspector General investigation is initiated, the Grantee shall:
- a. reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the 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 that results in the suspension or debarment of the Grantee. The Grantee shall not be responsible for investigative costs for investigations that do not result in the Grantee's suspension or debarment.
 - b. 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 Grantee non-compliance with these Grantee Integrity Provisions and make identified Grantee employees and volunteers available for interviews at reasonable times and places.
 - c. upon the inquiry or request of an Inspector General, 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 Grantee's integrity and compliance with these provisions. This information may include, but is not be limited to, the Grantee's business or financial records, documents or files of any type or form that refer to or concern this agreement.
- E. Termination.** For violation of any of these Grantee Integrity Provisions, the Commonwealth may terminate this agreement and any other contract with the Grantee, claim liquidated damages in an amount equal to the value of anything received in breach of these Grantee Integrity provisions, claim damages for all additional costs and expenses incurred in obtaining another grantee to complete performance under this agreement, and debar and suspend the Grantee from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one does 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.
- F. Subcontracts.** The Grantee shall include these Grantee Integrity Provisions in its subgrant agreements, contracts, and subcontracts with all subgrantees, contractors, and subcontractors providing goods or services under this agreement. The incorporation of this provision in the Grantee's subgrant agreements, contracts, and subcontracts shall not create privity of contract between the Commonwealth and any subgrantee, contractor, or subcontractor, and no third-party beneficiaries are created by the inclusion of these provisions. If the Grantee becomes aware of a subgrantee's, contractor's, or subcontractor's violation of these provision, the Grantee shall use its best efforts to ensure their compliance with these provisions.

23. **CONTRACTOR RESPONSIBILITY PROVISIONS (2023)**

- A. Definition.** For the purpose of these provisions, the term "Contractor" means as any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth. The term

also includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

B. Contractor Representations.

- i. The Contractor represents for itself and its subgrantees, contractors, and subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this agreement, that neither the Contractor, nor any of its subgrantees, contractors, and subcontractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot make this representation, the Contractor shall submit, along with the agreement, a written explanation of why the certification cannot be made.
- ii. The Contractor represents that, as of the date of its execution of this agreement, it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal, if any liabilities or obligations exist, or is subject to a duly approved deferred payment plan if any liabilities exist.

C. Notification. The Contractor shall notify the Commonwealth if, at any time during the term of the agreement, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best of its knowledge, any of its subgrantees, contractors, or subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. The Contractor shall provide this notification within 15 days of the date of suspension or debarment.

D. Default. The Contractor's failure to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government constitutes an event of default of the agreement with the Commonwealth.

E. Reimbursement. The Contractor shall reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this agreement or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. These costs include, but are not limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

F. Suspension and Debarment List. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by visiting the eMarketplace website at <http://www.emarketplace.state.pa.us> and clicking the Debarment list tab.

24. PROVISIONS CONCERNING THE AMERICANS WITH DISABILITIES ACT (2023)

A. No Exclusion. Pursuant to the Americans with Disabilities Act, 42 U.S. Code § 12101, et seq., no qualified individual with a disability may, on the basis of the disability, be excluded from participation in this contract or from activities provided for under this agreement.

B. Compliance. For all goods and services provided pursuant to this agreement, the Grantee shall comply with Title II of the Americans with Disabilities Act, the "General Prohibitions Against Discrimination" set forth in 28 C. F. R. § 35.130, and all other regulations promulgated under Title II of the Americans with Disabilities Act that apply to state and local governments.

C. Indemnification. The Grantee shall indemnify the Commonwealth against all third-party claims, suits, demands, losses, damages, costs, and expenses, including without limitation, litigation expenses, attorneys' fees, and liabilities, arising out of or in connection with the Grantee's failure or its employee's or agent's failure to comply with the provisions of subparagraph A, as determined by the Commonwealth in its sole discretion.

25. HAZARDOUS SUBSTANCES (2018)

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 34 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 (i) through (iv):

- a. Hazardous substances:
 - i. The chemical name or common name,
 - ii. A hazard warning, and
 - iii. The name, address, and telephone number of the manufacturer.
- b. Hazardous mixtures:
 - i. The common name, but if none exists, then the trade name,
 - ii. The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
 - iii. The chemical or common name of hazardous substances consisting of 1.0% or more of the mixture,
 - iv. A hazard warning, and
 - v. The name, address, and telephone number of the manufacturer.
- c. Single chemicals:
 - i. The chemical name or the common name,
 - ii. A hazard warning, if appropriate, and
 - iii. The name, address, and telephone number of the manufacturer.
- d. Chemical Mixtures:
 - i. The common name, but if none exists, then the trade name,
 - ii. A hazard warning, if appropriate,
 - iii. The name, address, and telephone number of the manufacturer, and
 - iv. 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 must 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 may terminate the grant without liability or in its discretion deduct from the grant price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

27. APPLICABLE LAW AND FORUM (2023)

This contract is governed by and must be interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. The Contractor consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania and waives any claim or defense that such forum is not convenient or proper. Any Pennsylvania court or tribunal has in personam jurisdiction over the Contractor, and the Contractor consents to service of process in any manner authorized by Pennsylvania law. This provision may not be interpreted as a waiver or limitation of the Commonwealth’s rights or defenses.

28. INTEGRATION

When fully executed by the parties, this agreement will be the final and complete agreement between the parties containing all the terms and conditions agreed on by the parties. All representations, understandings, promises, and agreements pertaining to the subject matter of this agreement made prior to or at the time this agreement is executed are superseded by this agreement, unless specifically accepted by any other term or provision of this agreement. There are no conditions precedent to the performance of this agreement, except as expressly set forth in this agreement.

29. CHANGES

The Commonwealth may issue change orders at any time during the term of the grant or any renewals or extensions: 1) to make changes to the services within the scope of the Grant; 2) to notify the Grantee that the Commonwealth is exercising any grant renewal or extension option; or 3) 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. The Commonwealth may issue funding adjustments at any time during the term of the grant or any renewals or extensions to increase or decrease the quantities resulting from variations between any estimated quantities in the grant and actual quantities. Any such change order or funding adjustment shall be in writing signed by the Commonwealth. The change order or funding adjustment will 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 shall provide the service in accordance with the change order or funding adjustment.

For purposes of this grant, “change order” means a written order signed by the Commonwealth directing the Grantee to make changes authorized under this clause. For purposes of this grant, “funding adjustment” means a written agreement adjustment to increase or decrease the total cost of a services agreement when the services provided are based on estimated usage amounts.

30. RIGHT TO KNOW LAW (2023)

- A. Applicability. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, (“RTKL”) applies to this contract.
- B. Grantee Assistance. If the Commonwealth needs the Grantee’s assistance in any matter arising out of the RTKL related to this contract, the Commonwealth shall notify the Grantee that it requires the Grantee’s assistance, and the Grantee shall provide to the Commonwealth:
 - a. access to, and copies of, any document or information in the Grantee’s possession (Requested Information) arising out of this contract that the Commonwealth reasonably believes is a public record under the RTKL, within ten calendar days after receipt of written notification; and
 - b. any other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this contract.
- C. Trade Secret or Confidential Proprietary Information. If the Grantee considers the Requested Information to include a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Contractor considers exempt from production under the RTKL, the Grantee shall notify the Commonwealth and provide, within seven calendar days of receipt of the written notice a written statement, signed by a representative of the Grantee, that explains why the requested material is exempt from public disclosure under the RTKL. If the Commonwealth determines that the Requested Information is clearly not exempt from disclosure, the Grantee shall provide the Requested Information to the Commonwealth within five business days of receipt of written notice of the Commonwealth’s determination.
- D. Reimbursement
 - a. Commonwealth Reimbursement. If the Grantee fails to provide the Requested Information and the Commonwealth is ordered to produce the Requested Information, the Grantee shall reimburse the Commonwealth for any damages, penalties, or costs that the Commonwealth may incur as a result of the Grantee’s failure, including any statutory damages assessed against the Commonwealth.
 - b. Contractor Reimbursement. The Commonwealth will reimburse the Grantee for any costs that the Grantee incurs as a direct result of 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.
- E. Challenges of Commonwealth Release. The Grantee may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Grantee shall reimburse the Commonwealth for any legal expenses incurred by the Commonwealth as a result of the challenge, including any damages, penalties or costs that the Commonwealth may incur as a result of the Grantee’s legal challenge, regardless of the outcome.
- F. Waiver. As between the parties, the Grantee waives 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.
- G. Survival. The Grantee’s obligations contained in this Section survive the termination or expiration of this contract.

31. WORKER PROTECTION AND INVESTMENT (2023)

The Grantee shall comply with all applicable Pennsylvania state labor laws and worker safety laws including, but not limited to, the following:

- A. Construction Workplace Misclassification Act;
- B. Employment of Minors Child Labor Act;
- C. Minimum Wage Act;
- D. Prevailing Wage Act;
- E. Equal Pay Law;
- F. Employer to Pay Employment Medical Examination Fee Act;
- G. Seasonal Farm Labor Act;
- H. Wage Payment and Collection Law;
- I. Industrial Homework Law;
- J. Construction Industry Employee Verification Act;
- K. Act 102: Prohibition on Excessive Overtime in Healthcare;
- L. Apprenticeship and Training Act; and
- M. Inspection of Employment Records Law.

32. ENHANCED MINIMUM WAGE (2023)

- A. Enhanced Minimum Wage. Contractor shall pay no less than \$15.00 per hour to its employees for all hours worked directly performing the services called for in this contract/lease, and for an employee's hours performing ancillary services necessary for the performance of the services or lease when the employee spends at least 20% of their time performing ancillary services in a given work week.
- B. Adjustment. Beginning July 1, 2023, and annually thereafter, the minimum wage rate will be increased by an annual cost-of-living adjustment using the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for Pennsylvania, New Jersey, Delaware, and Maryland. The Commonwealth will publish applicable adjusted amount in the Pennsylvania Bulletin by March 1 of each year to be effective the following July 1.
- C. Exceptions. These Enhanced Minimum Wage Provisions do not apply to employees
 - a. Exempt from minimum wage under the Minimum Wage Act of 1968;
 - b. covered by a collective bargaining agreement;
 - c. required to be paid a higher wage under another state or federal law governing the services, including the Prevailing Wage Act and Davis-Bacon Act; or
 - d. required to be paid a higher wage under any state or local policy or ordinance.
- D. Notice. The Contractor shall: (1) post this Enhanced Minimum Wage Provision for the entire period of the contract conspicuously in easily-accessible and well-lighted places customarily frequented by

employees at or near where the contracted services are performed; or (2) for the entire period of the contract, provide electronic notice of this clause to its employees not less than annually.

- E. Records. Contractor must maintain and, upon request and within the time periods requested by the Commonwealth, provide to the Commonwealth all employment and wage records necessary to document compliance with these Enhanced Minimum Wage Provisions.
- F. Sanctions. Contractor's failure to comply with these Enhanced Minimum Wage Provisions may result in the imposition of sanctions, which may include, but are not limited to, termination of the contract or lease, nonpayment, debarment, or referral to the Office of General Counsel for appropriate civil or criminal referral.
- G. Subcontractors. The Contractor shall include these Enhanced Minimum Wage Provisions in its subcontracts under this contract or lease to ensure that these provisions are binding on its subcontractors.

33. SURVIVAL

Paragraphs 4, 10, 11, 12, 13, 14, 15, 19, 27, 30, and 31 and any right or obligation of the parties in this agreement which, by its express terms or nature and context is intended to survive termination or expiration of this agreement, will survive the expiration or termination of the agreement.

**DEPARTMENT OF HUMAN SERVICES ADDENDUM TO
STANDARD TERMS AND CONDITIONS**

A. DEFINITIONS

Capitalized terms used in this addendum that are not otherwise defined in these provisions have the meanings specified in the Contract to which they are attached.

For the purpose of this addendum, the following definitions apply:

“Commonwealth” means the Commonwealth of Pennsylvania.

“Contract” means the underlying agreement, including, but not limited to, a contract, grant agreement, lease, purchase order, cooperative agreement, intergovernmental agreement, or reimbursement agreement, between Contractor and the Commonwealth for the provision or performance of services, supplies, goods, leased space, construction, or other activity.

“Contractor” means any person, including, but not limited to, a bidder, offeror, loan recipient, grantee, or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction, or other activity, under a Contract with the Commonwealth.

“Department” means the Department of Human Services.

B. APPLICABILITY

This addendum supplements the standard terms and conditions. Certain terms contained in this addendum may not be applicable to all the goods, supplies, services, leased space, construction, or other activity Contractor may furnish or perform through its Contract with the Department. These provisions apply only to the extent applicable to the services provided by Contractor pursuant to this Contract.

C. CONFIDENTIALITY

The parties shall not use or disclose any information about a recipient of the services to be performed under this Contract for any purpose not connected with the parties’ Contract responsibilities except in accordance with applicable state and federal law. If no state or federal law applies, the parties shall not disclose such information except with written consent of the recipient or the recipient’s personal representative.

D. INFORMATION

During the period of this Contract, the Contractor shall make all information obtained by the Contractor through work on the project available to the Department immediately upon demand and in the manner requested by the Department. If requested, the Contractor shall deliver to the Department background material prepared or obtained by the Contractor incident to the performance of this Contract. “Background material” means original work, papers, notes, and drafts prepared by the Contractor to support the data and conclusions in final reports and other deliverables, and includes, but is not limited to, 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. Contractor’s obligations under this provision will survive termination or expiration of the Contract, and will last as long as the information is retained.

E. CERTIFICATION AND LICENSING

Contractor shall obtain all necessary licenses, certifications, and permits from Federal, State, and Local authorities permitting it to carry out its activities under this Contract.

F. 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.

G. CHILD PROTECTIVE SERVICE LAWS

In the event that the Contract calls for services for a child (or children) as defined in 23 Pa.C.S. § 6303, the Contractor shall comply with the provisions of the Child Protective Services Law (23 Pa.C.S. Ch. 63) and all associated regulations promulgated (55 Pa. Code Ch. 3490).

H. PRO-CHILDREN ACT

1. The Contractor shall comply with Public Law 103–227, Title X, Part C, also known as the Pro–Children Act of 1994 (“Act”), 20 U.S.C. § 7183, which imposes restrictions on smoking in facilities where certain federally-funded children’s services are provided. The Act prohibits smoking within any indoor facility (or portion of such facility), whether owned, leased, or contracted for, that is used for the routine or regular provision of: (i) Kindergarten, elementary, or secondary education or library services; or (ii) health or day care services that are provided to children under the age of 18. The statutory prohibition also applies to indoor facilities that are constructed, operated, or maintained with Federal funds, whether directly or through State or local governments.
2. Federal funds include grants, cooperative agreements, loans or loan guarantees, and contracts. The Act does not apply to children’s services provided in private residences, facilities funded solely by Medicare or Medicaid funds, portions of facilities used for inpatient drug and alcohol treatment, or facilities where Special Supplemental Nutrition Program for Women, Infants, and Children (commonly known as WIC) coupons are redeemed.

I. MEDICARE/MEDICAID REIMBURSEMENT

1. If services are furnished by the Contractor, subcontractors, or organizations related to the Contractor or its subcontractors, and such services may be claimed by the Commonwealth for Medicare/Medicaid reimbursements, in whole or in part, Contractor shall comply with 42 C.F.R. Part 420 and shall include a clause in its subcontracts or other agreements requiring its subcontractors or organizations related to the Contractor or its subcontractors to comply with 42 C.F.R. Part 420. Compliance with 42 C.F.R. Part 420 includes, but is not limited to, the following:
 - a. Preservation of subcontracts, books, documents, and records until the expiration of four years after the services are furnished under the Contract or subcontract.
 - b. Full and free access to subcontracts, books, documents, and records by the Commonwealth, the U.S. Comptroller General, the U.S. Department of Health and Human Services, and the duly authorized representatives of these entities.
2. Contractor certifies under penalty of law that it has not been debarred, suspended, terminated, or excluded from the Medicare, Medicaid, or any other State or Federal health care program. If a debarment, suspension, termination, or exclusion occurs during the Contract term, Contractor shall immediately notify the Commonwealth.

J. TRAVEL AND PER DIEM EXPENSES

Contractor shall not be allowed or paid travel or per diem expenses except as provided for in Contractor’s Budget and included in the Contract amount. Any reimbursement to the Contractor for travel, lodging or meals under this Contract must 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 that have been established by its offices/officials, and published prior to entering into this Contract. The Contractor must support higher rates by submitting a copy of the minutes or other official documents to the Department. Documentation in support of travel and per diem expenses must be the same as required of state employees.

K. PROPERTY AND SUPPLIES

1. Contractor shall obtain all supplies and equipment for use in the performance of this Contract at the lowest practicable cost and shall purchase by means of competitive bidding whenever required by law.
2. Title to all property furnished in-kind by the Department remains with the Department.
3. Contractor has title to all personal property acquired by the Contractor, including purchase by lease-purchase contract, for which the Contractor is to be reimbursed under this Contract. Upon expiration or termination of this Contract, disposition of such purchased personal property that has a remaining useful life must 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 will be borne by the contractor receiving the property and will be reimbursed by the Department. Title to all transferred property will vest in the designated contractor. The Department shall 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 subsection b below.
 - b. If the Contractor wishes to retain any items of such purchased property, depreciation tables must 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 may 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 is deemed "Department Property" for the purposes of subsections 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. Unless otherwise approved in writing by the Department, Department Property shall be used only for the performance of this Contract.
 7. If the Contractor is indemnified, reimbursed, or otherwise compensated for any loss, destruction or damage to Department Property, the Contractor must, at the Department's direction, use the proceeds to replace, repair, or renovate the property involved; credit such proceeds against the cost of the work covered by the Contract; or reimburse the Department.

L. DISASTERS

If, during the term of this Contract, the Department's premises are so damaged by flood, fire, or other Acts of God as to render them unfit for use, the Department will have no liability or obligation to the Contractor during the period of time there is no need for the services provided by the Contractor, except that the Department will render compensation to which the Contractor was entitled to under this Contract prior to such damage.

M. SUSPENSION OR DEBARMENT

If Contractor is suspended or disbarred by the Commonwealth, 4 Pa. Code §§ 60.1-60.7, as may be amended, applies.

N. CONTRACTOR'S CONFLICT OF INTEREST

The Contractor certifies that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services or furnishment of goods or supplies under this Contract. The Contractor shall not knowingly employ any person having such interest during the term of this Contract. Contractor certifies that no member of the Board of the Contractor or any of its officers or directors has such an adverse interest.

O. 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, may participate in any decision relating to this Contract that affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is, directly or indirectly, interested; nor may any such officer, member, or employee of the Commonwealth or member of its General Assembly have interest, direct or indirect, in this Contract or its proceeds. The Contractor shall comply with all applicable requirements of the State Adverse Interest Act, 71 P.S. §§ 776.1-776.8, as may be amended.

P. TUBERCULOSIS CONTROL

For all services provided in a state mental health ("MH") facility or a state intellectual disability ("ID") center, the Contractor shall comply with the Guidelines for Preventing the Transmission of Mycobacterium tuberculosis

in Health Care Settings, 2005, issued by the Centers for Disease Control and Prevention (“CDC”), as these guidelines may be updated. The guidelines are available at http://www.cdc.gov/mmwr/preview/mmwrhtml/rr5417a1.htm?s_cid=rr5417a1_e.

The Department shall provide any required testing free of charge from the state MH/ID facility. If the Contract service provider has written proof of testing within the last six months, the MH/ID facility will accept this documentation in lieu of administration of a repeat test. If a health care worker employed by the Contractor is unwilling to submit to the test, the Contractor must complete the risk assessment questionnaire. If a Contractor or its health care worker refuses comply with the guidelines issued by the CDC, the Department may terminate its Contract without liability.

Q. CONTRACTOR RESPONSIBILITY TO EMPLOY DHS CLIENTS

1. If Contractor was required to submit a Contractor Partnership Program (“CPP”) Submittal with its bid, quote, application, or proposal, the Contractor’s CPP Submittal and the CPP requirements set forth in the solicitation become part of the Contract. Contractor shall submit any proposed changes to its CPP Submittal to the CPP Division of the Department’s Office of Income Maintenance. If the Contract is assigned to another contractor, the new contractor must maintain the CPP requirements of the original Contract.
2. Contractor shall, within 10 days of receiving the Effective Date of the Contract, register in the Commonwealth Workforce Development System (CWDS).
3. As specified in the solicitation, Contractor shall submit Quarterly Employment Reports to the Office of Income Maintenance Central Office of Employment and Training, CPP Division. On a quarterly basis, Contractor shall provide information on the use and outcomes of hiring strategies and demonstrating good faith efforts to hire TANF beneficiaries.
4. If Contractor is non-compliant, the CPP Division will contact the Contract Administrator to request corrective action.

R. OLDER ADULTS PROTECTIVE SERVICES ACT APPLICATION TO CONTRACTOR

Contractor shall submit information obtained within the preceding one-year period for any personnel providing services in a facility, as defined in 35 P.S. § 10225.102, who will have or may have direct contact with residents of a Department-operated 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 will be limited to that which is disseminated pursuant to 18 Pa.C.S. 9121(b)(2) (relating to general regulations). The Contractor shall apply to the State Police for clearance at its own expense. The forms are available online at <https://epatch.pa.gov/home>.
2. Where the Contractor’s personnel is not, and for the two years immediately preceding the date of execution of a Contract, has not been a resident of this Commonwealth, the Contractor must submit, at its own expense, a report of Federal criminal history record information pursuant to the Federal Bureau of Investigation’s (“FBI”) appropriation under the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1973 (Public Law 92-544, 86 Stat. 1109). Information regarding the fingerprinting process for FBI background checks mandated by OAPSA is available at <https://www.aging.pa.gov/organization/advocacy-and-protection/Pages/Criminal-History-Background-Checks.aspx>. The information obtained from the criminal record check shall be used by the Department to determine the individual’s eligibility. The Contractor must submit the determination to the Department before Contractor’s personnel provides services at the Department’s facility. The Department shall insure confidentiality of the information. The provisions of 18 Pa. C.S. § 9121(b)(2) will not apply if the request for a report of Federal criminal history record information is made pursuant to this section.

For personnel hired after execution of the Contract, the Contractor shall forward all State Police Criminal History Background Reports or FBI background checks of its personnel, as applicable, when received. The Contractor’s

failure to forward State Police Criminal History Background Reports or FBI background checks, as applicable, within 60 days of receipt may result in termination of the Contract. Personnel shall not have direct contact with residents of a Department-operated facility or unsupervised access to their personal living quarters until Contractor provides the Department with the applicable background check.

S. DATA BREACH OR LOSS

The Contractor shall comply with all applicable data protection, data security, data privacy, and data breach notification laws, including, but not limited to, the Breach of Personal Information Notification Act, 73 P.S. §§ 2301-2330, as amended.

T. OTHER FEDERAL REQUIREMENTS

The Contractor shall comply with the requirements set forth in this section when: (i) the Contract is funded in whole or in part with federal funds; and (ii) the listed requirements are applicable to the Contractor and to the services or supplies provided under the Contract.

1. The Contractor shall comply with the following, as applicable:
 - a. 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
 - b. 45 C.F.R. §§ 75.330, Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms;
 - c. 45 C.F.R. § 75.331, Procurement of Recovered Materials;
 - d. 45 C.F.R. § 75.364, Access to Records;
 - e. 45 C.F.R. § 95.615, Access to System and Records; and
 - f. 45 C.F.R. § 75.112, Conflict of Interest.
2. If the Contract is a prime construction contract in excess of \$2,000, the Contractor shall comply with the Davis-Bacon Act, 40 U.S.C. §§ 3141-3148, as amended, as supplemented by U.S. Department of Labor regulations, 29 C.F.R. Part 5, and the Copeland "Anti-Kickback" Act, 40 U.S.C. § 3145, as supplemented by U.S. Department of Labor regulations, 29 C.F.R. Part 3, when required by Federal program legislation,
3. If the Contract amount is \$100,000 or more and the Contract involves the employment of mechanics or laborers, the Contractor shall comply with the Contract Work Hours and Safety Standards Act, 40 U.S.C. §§ 3701-3708, as supplemented by U.S. Department of Labor regulations, 2 C.F.R. Part 5.
4. If the Federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the Contractor or subcontractor wish to enter into a contract with a small business firm or nonprofit organization regarding the substation of parties, assignment or performance of experimental, developmental, or research work under that funding agreement, the Contractor shall comply with 37 C.F.R. Part 401 and any implementing regulations issued by the awarding federal agency.
5. If the Contract amount is \$150,000 or more, the Contractor shall comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, 42 U.S.C. §§ 7401-7671q, and the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251-1387, as amended.
6. If the Contract amount is \$100,000 or more, the Contractor shall comply with the Bird Anti-Lobbying Amendment, 31 U.S.C § 1352.
7. In accordance with 45 C.F.R. § 75.308(c)(1)(ii), the Department must request federal approval before executing any Key Personnel changes. The Contractor shall notify the Department of all such changes to enable the Department to comply with this requirement.
8. The Department may not make a contract award to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. Part 180 that implement Executive Orders 12549 and 12689, Debarment and Suspension. Contractor certifies under penalty of law that it is not listed on the government-wide exclusions in SAM.
9. Except as provided under 41 C.F.R. Part 60, if this Contract meets the definition of "federally assisted

construction contract” in 41 C.F.R. Part 60-1.3, the Contractor shall comply with the following provision:

During the performance of this Contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

(4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation

with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

U. 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 shall certify that they will not use federal funds for lobbying and shall disclose the use of non-federal funds for lobbying by filing required documentation. The Contractor shall complete and return a "Lobbying Certification Form" and, if applicable, a "Disclosure of Lobbying Activities form" with their signed Contract, which form(s) will be made attachments to the Contract.

V. AUDIT CLAUSE

This Contract is subject to audit in accordance with the attached Audit Clause. Contractor shall comply with all the requirements set forth in the Audit Clause.

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A/B – SUBRECIPIENT

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. Any federal statute prescribing specific policies or specific requirements that differ from the standards provided herein shall govern. The DHS provides the following audit requirements in accordance with the Commonwealth of Pennsylvania, Governor's Office, Management Directive 325.09, as amended January 10, 2022.

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 (see the definition of subrecipient in 2 CFR Part 200 § 200.1). For purposes of this audit clause, a subrecipient **is not** a contractor as defined in 2 CFR Part 200 § 200.1.

Subrecipients must comply with all federal audit requirements 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.

A. Federal Audit Requirements

Federal Audit Requirements Specific to Local Governments and Nonprofit Organizations

If a local government or nonprofit organization expends federal awards of \$1,000,000 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, it **is required** to have an audit conducted in accordance with the provisions outlined in 2 CFR Part 200.501, *Audit Requirements*.

Federal Audit Requirements Specific to For-Profit Organizations

A for-profit organization **is required** to have an audit if it expends a total of \$1,000,000 or more in federal funds under one or more Department of Health and Human Services (DHHS) federal awards. Title 45, CFR 75.501(a) 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.

Federal Audit Requirements Applicable to Local Governments and Nonprofit Organizations, and to For-Profit Organizations

If a subrecipient expends **total federal awards of less than \$1,000,000** 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.**

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A/B – SUBRECIPIENT

B. DHS Audit Requirements

Subrecipients must meet the following DHS audit requirements:

Where a Single Audit or program-specific audit is conducted in accordance with the federal audit requirements referenced above, DHS will accept such audit 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 following the annual audit requirements described below, which are based upon the program year specified in this agreement.

DHS Audit Requirements Specific to Subrecipients

Subrecipients that **expend \$1,000,000 or more in combined state and federal funds, but less than \$1,000,000 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 subrecipient **expends \$750,000 or more in combined state and federal funds, but less than \$1,000,000 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 (compliance attestations). These examinations shall be conducted in accordance with the American Institute of Certified Public Accountants' Statements on Standards for Attestation Engagements, No. 18, Attestation Standards: Clarification and Recodification (SSAE 18) and shall be of a scope acceptable to 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 compliance attestation reports 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 unmodified, 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 unmodified 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

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A/B – SUBRECIPIENT

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 subrecipient that **expends less than \$750,000 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.

GENERAL AUDIT PROVISIONS

A subrecipient is responsible for obtaining the necessary audit and securing the services of an independent, licensed certified public accountant, or other independent governmental auditor.

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

Except when a longer period is stated in the contract, 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 time when the contract expires and all questioned costs or activities have been resolved to the satisfaction of DHS, or as required by applicable federal laws and regulations. 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. If this contract is completely or partially terminated, subrecipient shall preserve the records relating to and make 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 DHS, other state agencies, or federal agencies to extend the retention period. Audit documentation must be made available upon request to authorized representatives of DHS, other state agencies, or federal agencies.

The subrecipient shall retain and shall make available or provide to DHS at DHS's option those records that relate to litigation of the settlement of claims arising out of performance or expenditures under the contract 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 retain records as required by this Audit Clause using photographs, microphotographs, or other authentic reproductions of such records after the expiration of two years following the last day of the month of reimbursement to the contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by DHS.

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A/B – SUBRECIPIENT

SUBMISSION OF AUDIT REPORTS TO THE COMMONWEALTH

A. Federally Required Audit Reports

Local Governments and Nonprofit Organizations

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-BAFMSingleAudit@pa.gov.

For-Profit Organizations

Submit an electronic copy of the audit report package, which shall include the elements outlined in 2 CFR Part 200, Subpart F – *Audit Requirements* (Subpart F) to the resource account RA-BAFMSingleAudit@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.
- (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.)

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A/B – SUBRECIPIENT

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, and 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" and "% Difference" columns.
 - (d) Agree the amounts listed under the "Difference" column to the audited books and records of the subrecipient.
 - (e) Agree the "Detailed Explanation of the Differences" to the audited books and records of the subrecipient.
 - (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.).

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 subrecipient. **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

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A/B – SUBRECIPIENT

The subrecipient 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 subrecipient 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 subrecipient's failure to provide an acceptable audit may result in the DHS not accepting the report and initiating actions against the subrecipient 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.
- Requiring a corrective action plan.
- Terminating the contract if the failure is not corrected within the time period approved by DHS.
- Assessing liquidated damages up to the amount of \$200 for each calendar day and portion of each calendar day for which each required audit or compliance attestation report is submitted beyond its required due date. Audits submitted without required AUP reports will not be considered acceptable and will be subject to liquidated damages.

TECHNICAL ASSISTANCE

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

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

SUBRECIPIENT / CONTRACTOR AUDITS

AUDIT CLAUSE A/B – SUBRECIPIENT

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