

REQUEST FOR APPLICATIONS
Implementation of Digital Tools to Improve Engagement, Retention and Outcomes for
Individuals with Substance Use Disorders
DMH22-013CK-RFA

RFA Posted	May 10, 2022		
Questions Due	May 18, 2022		
Applications Due	June 1, 2022 @ 5:00pm EST		
Anticipated Notice of Award	June 15, 2022 @ 5:00pm EST		
Anticipated Performance Period	July 1, 2022 – March 14, 2023		
Service	Implementation of Digital Tools to Improve Engagement, Retention and Outcomes for Individuals with Substance Use Disorders		
Issuing Agency	NC Department of Health and Human Services Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS)		
E-mail Applications and Questions to	DMH/DD/SAS Contracts Team	Email	RFA.responses@dhhs.nc.gov

THIS REQUEST FOR APPLICATIONS (RFA) advertises the Division’s need for the services described herein and solicits applications offering to provide those services pursuant to the specifications, terms and conditions specified herein. All applications received shall be treated as offers to contract. If the Division decides to accept an application, an authorized representative of the Department will sign in the space provided below. Acceptance shall create a contract that is effective as specified below.

THE UNDERSIGNED HEREBY SUBMITS THE FOLLOWING APPLICATION AND CERTIFIES THAT: (1) he or she is authorized to bind the named Grantee to the terms of this RFA and Application; (2) the Grantee hereby offers and agrees to provide services in the manner and at the costs described in this RFA and Application; (3) this Application shall be valid for 60 days after the end of the application period in which it is submitted.

To Be Completed By Contractor:

Contractor Name:	Catchment Area # (see p.5):
Contractor’s Street Address:	E-Mail Address:
City, State & Street Address Zip:	Telephone Number:
Name & Title of Authorized Representative:	DUNS Number:
Signature of Authorized Representative:	Date:

Unsigned or Incomplete Applications Shall Be Returned Without Being Reviewed

NOTICE OF AWARD/FOR NC DHHS USE ONLY: Application accepted and Contract # _____ awarded on _____. The Contract shall begin on _____ and shall terminate on _____.		
By: _____	_____	_____
Signature of Authorized Representative	Printed Name of Authorized Representative	Title of Authorized Representative

CONTENTS

1.0 OVERVIEW 3

2.0 ELIGIBILITY 3

3.0 AWARD INFORMATION 4

4.0 DEFINITIONS, ACRONYMS AND ABBREVIATIONS **Error! Bookmark not defined.**

5.0 SCOPE OF WORK..... 5

5.5 QUALIFICATIONS AND CAPACITY..... 6

6.0 PERFORMANCE OVERSIGHT 6

7.0 TERM OF AWARD 6

8.0 BUDGET 6

9.0 REIMBURSEMENT 6

10.0 THE SOLICITATION PROCESS..... 7

11.0 GENERAL INFORMATION ON SUBMITTING APPLICATIONS 7

12.0 APPLICATION CONTENT AND INSTRUCTIONS 9

13.0 EVALUATION CRITERIA AND SCORING..... 12

1.0 OVERVIEW

The Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) is interested in implementing several pilot projects across the state implementing the use of digital tools; i.e., mobile health apps, to improve engagement, retention and outcomes for individuals with a substance use disorder and/or seeking recovery with a substance use disorder (SUD). Hundreds of recovery apps have been developed over the past several years to assist individuals in staying engaged in treatment services, tracking their recovery, and developing new strategies for long-term, sustained recovery. These apps became more critical during the pandemic with requirements for social distancing and need for self-quarantine because they allowed individuals the opportunity for social connectedness and access to other virtual resources.

The intent of this initiative is not to replace formal, clinical treatment services for SUD, but to provide additional tools to assist individuals who may have difficulty accessing treatment services as often as needed, or who may need digital recovery resources because options are limited in their area, or who may need or prefer additional support, particularly during times when other resources might not be available.

Digital tools can be personalized based on an individual's distinct needs and can result in improved general health outcomes, sustained recovery and positive improvements in various social determinants, including employability/employment and housing/housing stability. The utilization of these mobile apps can also result in fewer hospitalizations, ED visits and criminal involvement, which results in overall cost savings to health plans and individuals.

1.1 PURPOSE

The overarching goal of this initiative is to provide increased access to digital therapeutics, tools and/or mobile apps to individuals with a SUD who are interested in and could benefit from additional digital recovery supports. The Division will select up to two (2) organizations that promote, market and support a digital therapeutic/tool/mobile app that meets criteria further outlined in Section 5.1., and who are furthermore interested in working with treatment providers and/or recovery organizations to identify individuals interested in using this tool.

Grant funds may be used to cover the costs of the app, contingency management (if applicable) and other logistical costs needed to implement this initiative.

Funds may not be used to purchase phones, tablets or other electronic devices to be used by potential participants of this project.

2.0 ELIGIBILITY

Applicant agencies must meet the following eligibility criteria to be considered:

- Applicant agencies must:
 - be a non-profit*
 - not be currently subject to any investigative or corrective actions by any investigative body
- Applicants must demonstrate that they are able to provide the service specifications and standards set forth in this RFA. Award recipients must meet all applicable DMH/DD/SAS regulations and policies, and conditions and requirements for the Substance Abuse Block Grant (SABG) grant.
- Applicant agencies that are applying as part of a partnership must clearly identify the lead agency and the other partner agencies, the roles and responsibilities of each agency should be identified and

documentation confirming the partnership should be included in the appendices.

*As these funds are tied to the Substance Abuse Prevention and Treatment Block Grant (SABG), those statutes restrict awards for “financial assistance to any entity other than a public or nonprofit private entity,” as stated in 42 U.S.C. § 300x-31(a)(1)(E) (section 1931(a)(1)(E) of the Public Health Service Act); 45 C.F.R. §96.135(a)(5). However, the restriction does not apply in the context of contracts. Ordinarily, the term “financial assistance” is used to describe a grant relationship as distinguished from an acquisition (or procurement) relationship, typically funded by a contract. Therefore, while a state is precluded from providing grants to for-profit entities, states may enter into procurement contracts with for-profit entities.

3.0 AWARD INFORMATION

The total amount of funding available in this RFA is \$400,000. Agencies may apply for a portion of these funds or the total amount. The anticipated period of award for this RFA is July 1, 2022 through March 14, 2023. Funds are contingent upon availability. Any extension will be contingent upon successful implementation of strategies and deliverables as defined by the implementation sites and agreed upon by the Division, as evidenced by the selection of awardees, and contingent upon award of such funds by the federal grantor.

As stated above, one (1) or more awards will be made through this RFA, and will be based on a thorough review of all submitted complete applications and will be allocated and monitored through DMH/DD/SAS.

Cost sharing or matching is not required.

3.1 SOURCE OF FUNDS AND PASS THROUGH REQUIREMENTS

Federal Award Identification Number: 1B08TI083540-01

Federal Award Date: March 11, 2021

Subaward Period of Performance: July 1, 2022 – March 14, 2023

Amount of Federal Funds Obligated by this Action: \$400,000

Total Amount of Federal Funds Obligated to the Subrecipient: tbd, up to \$400,000

Total Amount of the Federal Award: \$42,171,280

Federal Award Project Description: “The SABG program allows states and territories to plan, implement and evaluate activities to prevent, treat and help more people recover from substance use disorder. This funding will also allow recipients to make investments in existing prevention, treatment and recovery infrastructure, promote support for providers and address unique local needs to deliver substance use disorder services.”

Federal Awarding Agency: SAMHSA

Pass-through Entity: NC DHHS, DMHDDSAS

DUNS # 8097853630000

CFDA Number: 93.959

CFDA Name: Substance Abuse Prevention and Treatment Block Grant, Coronavirus Response and Relief Supplement Appropriations Act, 2021

3.2 FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)

As a subrecipient of federal funds, each selected grant recipient will be required to provide certain information required by the Federal Funding Accountability and Transparency Act (FFATA), including the organization's Unique Entity Identifier number, which replaced the DUNS numbering system effective 04.04.22. Please see <https://www.gsa.gov/about-us/organization/federal-acquisition-service/office-of-systems-management/integrated-award-environment-iae/iae-systems-information-kit/unique-entity-identifier-update> for additional information. Additional information about FFATA is available at <https://www.fsr.gov/>.

4.0 DEFINITIONS, ACRONYMS AND ABBREVIATIONS

DHHS: Department of Health and Human Services

DMH/DD/SAS: Division of Mental Health, Developmental Disabilities and Substance Abuse Services

FSR: Financial Status Report

SUD: Substance use disorder

SAMHSA: Substance Abuse and Mental Health Services Administration

5.0 SCOPE OF WORK

5.1 Programmatic requirements

Successful applicants for these funds will have the following expectations:

- Partner with one or more, treatment providers and/or recovery organizations that serve individuals with SUD who are uninsured or underinsured.
- Identify no less than five (5) areas across the state to target these efforts, with focus on rural, underserved, marginalized and resource poor areas or communities.
- Provide training, technical assistance and access to digital therapeutics/tools/mobile applications that support individuals' recovery efforts.
- Comply with reporting requirements outlined in section 5.4 of this RFA

5.2 OUTCOMES

Successful applicants for these funds will have the following outcome expectations:

- Expand and/or enhance the number of locations where digital recovery services and supports are available
- Increase the number of individuals with a SUD who are receiving recovery supports through digital means
- Increased engagement with individuals, i.e., persons seen/served more than once
- Number of individuals connected to community-based resources such as treatment, social service agencies and peer support services
- Decreases in referrals to higher level of care

5.3 PERFORMANCE STANDARDS AND EXPECTATIONS

Applicants shall comply with all federal and state requirements for subawards. The [North Carolina State Budget Manual](#) outlines parameters for allowable and unallowable costs at the state level, and the code of federal regulations, title 2, part 200 outlines requirements and restrictions for sub awardees receiving federal awards. Sub awardees must comply with all uniform guidance related to the SAPTBG COVID-19 Supplement funding, CFDA: 93.959.

5.4 REPORTING REQUIREMENTS

Successful applicants will be required to submit a monthly Financial Status Report (FSR) and a monthly program report. Both will be provided to the applicant post award.

The FSR will detail expenditure of the grant funds and the monthly program report will provide DMH/DD/SAS with data necessary to demonstrate program outcomes. Both reporting forms, including supporting documentation for the FSR (i.e., receipts, proof of payment, etc.) are to be submitted to the contract administrator by the 10th of each month.

Other reporting requirements will include:

- Demographic information of service recipients
- Service recipient satisfaction surveys

5.5 QUALIFICATIONS AND CAPACITY

Sub awardees must have internal controls in place and use generally accepted accounting principles (GAAP). Successful applicants will show no more than two audit findings in their most recent audit. Successful applicants will have a proven track record of collaboration with community partners to conduct community based health research.

6.0 PERFORMANCE OVERSIGHT

The Division of Mental Health, Developmental Disabilities and Substance Abuse Services assumes responsibility for monitoring the performance of the selected applicant and the outcome of this project.

7.0 TERM OF AWARD, OPTIONS TO EXTEND

The performance period for this project begins July 1, 2022 and ends March 14, 2023. The successful applicant project will be supported with funds from the SAPTBG COVID-19 Supplement funding. Funds are contingent upon availability. At this time, there is no indication that funds will be available beyond March 14, 2023. Any extension will be contingent upon successful implementation of strategies and deliverables as defined by the Division, as evidenced by the selection of an awardee, and contingent upon award of such funds by the federal grantor.

8.0 BUDGET

Funds for the Implementation of Digital Tools to Improve Engagement, Retention and Outcomes for Individuals with Substance Use Disorders will be awarded to the applicant(s) that achieves the highest score on the evaluation criteria below (see Section 13).

The line-item budget shall constitute the total cost to DMH/DD/SAS for the complete performance in accordance with the requirements and specifications herein, including all applicable expenses such as administrative cost. The applicant shall not invoice for any amounts not specifically allowed for in the line-item budget of this RFA.

Applicants should note in their budget the estimated number of individual participants.

9.0 REIMBURSEMENT

Upon award, a contract will be executed between DHHS and the awardee. Funds associated with this RFA will be provided to the successful applicant on a reimbursement basis. The successful applicant will be required to

submit a Financial Status Report (FSR) by the 10th of each month, detailing expenditure during the reporting period. The FSR will be reviewed by the contract administrator against the approved budget. The FSR will then be processed for reimbursement.

10.0 THE SOLICITATION PROCESS

The following is a general description of the process by which agencies or organizations will be selected to complete the goal or objective.

- 1) Written questions concerning the RFA specifications will be received until the date specified on the cover sheet of this RFA. A summary of all questions and answers will be posted on the RFA website.
- 2) Applications will be received from each agency or organization. The application must be signed and dated by an official authorized to bind the agency or organization.
- 3) All applications must be received by the funding agency not later than the date and time specified on the cover sheet of the RFA. Faxed applications will not be accepted.
- 4) Applications from each responding agency and organization will be logged in at the date and time received.
- 5) At their option, the evaluators may request additional information from any or all applicants for the purpose of clarification or to amplify the materials presented in any part of the application. However, agencies and organizations are cautioned that the evaluators are not required to request clarification; therefore, all applications should be complete and reflect the most favorable terms available from the agency or organization.
- 6) Applications will be evaluated according to completeness, content, experience with similar projects, ability of the agency's or organization's staff, cost, etc. The award of a grant to one agency and organization does not mean that the other applications lacked merit, but that, all facts considered, the selected application was deemed to provide the best service to the North Carolina residents.
- 7) Agencies and organizations are cautioned that this is a request for applications, and the funding agency reserves the unqualified right to reject any and all applications when such rejections are deemed to be in the best interest of the funding agency.

11.0 GENERAL INFORMATION ON SUBMITTING APPLICATIONS

- 1) Award or Rejection
All qualified applications will be evaluated and awarded to the agency or organization whose capabilities are deemed to be in the best interest of the funding agency. The funding agency reserves the unqualified right to reject any or all offers if determined to be in its best interest.
Successful applicants will be notified no later than June 15, 2022.
- 2) Cost of Application Preparation
Any cost incurred by an agency or organization in preparing or submitting an application is the agency or organization's sole responsibility; the funding agency will not reimburse any agency or organization for any pre-award costs incurred.
- 3) Elaborate Applications
Elaborate applications in the form of brochures or other presentations beyond that necessary to

present a complete and effective application are not desired.

4) Oral Explanations

The funding agency will not be bound by oral explanations or instructions given at any time during the competitive process or after awarding the grant.

5) Reference to Other Data

Only information that is received in response to this RFA will be evaluated; reference to information previously submitted will not suffice.

6) Titles

Titles and headings in this RFA and any subsequent RFA are for convenience only and shall have no binding force or effect.

7) Form of Application

Each application must be submitted on the form provided by the funding agency.

8) Exceptions

All applications are subject to the terms and conditions outlined herein. All responses will be controlled by such terms and conditions. The attachment of other terms and condition by any agency and organization may be grounds for rejection of that agency or organization's application.

9) Advertising

In submitting its application, agencies and organizations agree not to use the results therefrom or as part of any news release or commercial advertising without prior written approval of the funding agency.

10) Right to Submitted Material

All responses, inquiries, or correspondence relating to or in reference to the RFA, and all other reports, charts, displays, schedules, exhibits, and other documentation submitted by the agency or organization will become the property of the funding agency when received.

11) Competitive Offer

Pursuant to the provision of G.S. 143-54, and under penalty of perjury, the signer of any application submitted in response to this RFA thereby certifies that this application has not been arrived at collusively or otherwise in violation of either Federal or North Carolina antitrust laws.

12) Agency and Organization's Representative

Each agency or organization shall submit with its application the name, address, and telephone number of the person(s) with authority to bind the agency or organization and answer questions or provide clarification concerning the application.

13) Subcontracting

Agencies and organizations may propose to subcontract portions of work, provided that their applications clearly indicate the scope of the work to be subcontracted, and to whom. All information required about the prime grantee is also required for each proposed subcontractor.

14) Proprietary Information

Trade secrets or similar proprietary data which the agency or organization does not wish disclosed to other than personnel involved in the evaluation will be kept confidential to the extent permitted by NCAC TO1: 05B.1501 and G.S. 132-1.3 if identified as follows: Each page shall be identified in boldface at the top and bottom as "CONFIDENTIAL." Any section of the application that is to remain confidential shall also be so marked in boldface on the title page of that section.

15) Participation Encouraged

Pursuant to Article 3 and 3C, Chapter 143 of the North Carolina General Statutes and Executive Order No. 77, the funding agency invites and encourages participation in this RFA by businesses owned by minorities, women and the disabled including utilization as subcontractor(s) to perform functions under this Request for Applications.

16) Federal Certifications

- i) Agencies or organizations receiving Federal funds will be required to execute Federal Certifications regarding Non-discrimination, Drug-Free Workplace, Environmental Tobacco Smoke, Debarment, Lobbying, and Lobbying Activities. Federal Certifications should NOT be signed or returned with the application.

12.0 APPLICATION CONTENT AND INSTRUCTIONS

This section includes what the applicant organization is required to provide DMH/DD/SAS with its application response. The applicant must clearly demonstrate (describe) in its proposal response how the applicant's organization will meet or address the programmatic requirements described in the scope of work section of the RFA. The applicant proposal shall include the following items in this specific order and clearly marked as such. Applications must be 10 pages or less, not including any attachments or appendices. See each section below for detailed information.

Whenever possible, use appendices to provide details, supplementary data, references, and information requiring in-depth analysis. These types of data, although supportive of the proposal, if included in the body of the design, could detract from its readability. Appendices provide the proposal reader with immediate access to details if clarification of an idea, sequence or conclusion is required. Timetables, work plans, schedules, activities, and methodologies, legal papers, personal vitae, letters of support, and endorsements are examples of appendices.

Applicants shall populate all attachments of this RFA that require the applicant to provide information and include an authorized signature where requested. Applicant RFA responses shall include the following items and those attachments should be arranged in the following order: Number each page consecutively. (Please provide the order of arrangement and content and page count if applicable).

A. Cover Page (at the beginning of this RFA) with all fields completed, signed by an authorized official of the applicant organization (not inclusive in the 10-page limit)

B. Face Page

- 1) The applicant's name, principal place of business and location(s) where project activities will take place.
- 2) The applicant's legal status as a non-profit or not-for-profit agency.*

*As these funds are tied to the Substance Abuse Prevention and Treatment Block Grant (SABG), those statutes restrict awards for "financial assistance to any entity other than a public or nonprofit private entity," as stated in 42 U.S.C. § 300x-31(a)(1)(E) (section 1931(a)(1)(E) of the Public Health Service Act); 45 C.F.R. §96.135(a)(5). However, the restriction does not apply in the context of contracts. Ordinarily, the term "financial assistance" is used to describe a grant relationship as distinguished from an acquisition (or procurement) relationship, typically funded by a contract. Therefore, while a state is precluded from providing grants to for-profit entities, states may enter into procurement contracts with for-profit entities.

C. Proposal Summary (5 points)

The summary should be prepared after the application has been developed to encompass all the key points necessary to communicate the objectives of the project. It is the document that becomes the cornerstone of the proposal, and the initial impression it gives will be critical to success of the venture. In many cases, the summary will be the first part of the proposal package seen by the agency and very possible could be the only part of the package that is carefully reviewed before the decision is made to consider the project any further.

D. Organization Background and Qualifications (5 points)

Describe the organization and its qualifications for funding including:

- 1) Mission and goal of the organization.
- 2) A brief overview of the applicant's history.
- 3) Describe the applicant's experience with working with community health organizations including SUD treatment and recovery providers (organization's past achievements and accomplishments and evidence of its impact).
- 4) Brief overview of all community based initiatives provided by the applicant within the last three years, including (if applicable):
 - a) The beginning and ending dates of any contracts.
 - b) The services provided under those contracts.
 - c) Whether any of those contracts were extended or renewed at the end of their initial terms.
 - d) Whether any of those contracts were terminated early for cause by either party to the contract.
 - e) The "lessons learned" from each of those contracts.
- 5) Qualifications/background on organization's Key Staff.
- 6) Provide evidence of partnerships with other relevant agencies.
- 7) The details of:
 - a) Any criminal investigations pending against the applicant or any of their officers, directors, employees, agents, or subcontractors of which the applicants have knowledge or a statement that there are none.
 - b) Any regulatory sanctions levied against any of the applicants or any of their officers, directors, employees, agents, or subcontractors by any state or federal regulatory agencies within the past three years of which the applicant s have knowledge or a statement that there are none. As used herein, the term "regulatory sanctions" includes the revocation or suspension of any license or certification, the levying of any monetary penalties or fines, and the issuance of any written warnings.
 - c) Any regulatory investigations pending against of any of the applicants or any of their officers, directors, employees, agents, or subcontractors by any state or federal regulatory agencies of which the applicants have knowledge or a statement that there are none.
Note: The Department may reject a proposal solely based on this information.
 - d) Any of the applicant's directors, partners, proprietors, officers, or employees or any of the proposed project staff are related to any DHHS employees. If such relationships exist, identify the related individuals, describe their relationships, and identify their respective employers and positions.

- e) Assurance that the Applicant and the proposed Applicant staff are not excluded from participation by Medicaid or the Office of the Inspector General of the United States Department of Health and Human Services.
- 8) Other major donors and summary of dollar amounts of contribution(s).

E. Assessment of Need/s (Problem Statement) (10 points)

- 1) Describe the problem and issues this project will address.
- 2) Describe the demographic information of the population to be included
- 3) Include statistical facts and figures (national, state and regional).
- 4) Describe how this project might impact policy, outreach, services and outcomes.
- 5) Describe what your organization is and why your agency is interested in conducting this initiative, with this population.

F. Project Description and Narrative (40 points)

- 1) Describe your proposed project.
- 2) Provide a description of your experience providing a similar scope of service/products in other states or communities.
- 3) Digital health products address a broad array of issues, depending on their purpose. How do you classify your product(s)? Is it considered digital wellness, diagnostic or a therapeutic or recovery intervention?
- 4) Provide a detailed overview of your product.
- 5) Provide your clinical evidence and outcomes specific to utilization of this application, including retention and average length of use; i.e., user engagement results.
- 6) Provide your most recent user satisfaction outcomes.
- 7) Describe how your product enhances or supports other services, including formal clinical treatment services, as well as other recovery supports.
- 8) Describe the use of contingency management principles for individuals utilizing this service, if applicable.
- 9) Describe how program payment will be structured; i.e., per participant, per month, or flat rate.
- 10) Provide information on potential or realized demonstrated savings through utilization of your product.
- 11) Identify potential challenges the project may face (site participation, data collection, logistic, or other constraints) and discuss how these challenges will be addressed and/or minimized.

G. Collaboration and Support (10 points)

All applicant agencies must:

- 1) Describe how they will collaborate on this project with other relevant organizations, such as provider organizations.
- 2) Describe the reasons for partnering with specific organizations.
- 3) Describe how you will verify that projects or services are not being duplicated in the community and with the population served.

Letters of support that involve collaboration may be included with your grant application as an appendix and will not count toward the narrative page limit of this RFA. Please do not have letters sent separately to the Division. They will not be included in your application and will not be read by reviewers.

H. Potential Impact (10 points)

Explain why the proposed project is a good use of federal dollars. Describe the potential health impact and other effects on North Carolina and its residents. Whenever possible, quantify the possible economic savings and/or gains brought about by the study through specific data.

I. Line Item Budget and Budget Narrative (10 points) (Not inclusive in the 10 page limit)

Line-Item budget: Appendix C is a line-item budget template that is to be submitted with this RFA. This does not count towards the page limit of this RFA.

Budget Narrative: The budget narrative should be included in the body of the proposal and will count towards the page limit of this RFA.

Every item that appears in the budget should be explained clearly, so the evaluator/reviewer will understand it. The budget narrative should explain how the numbers in the budget were calculated and how each expense is related to the proposed project. The Budget Narrative is the justification of 'how' and/or 'why' a line item helps to meet the program deliverables. It is also used to determine if the cost in the contract is reasonable and permissible.

The budget should be for the period July 1, 2022 through March 14, 2023:

- Salary Detail – Staff salaries and expenses for temporary/contract staff should be entered by position type in the appropriate section. For employed staff and temporary/contract staff, enter the average number of hours to be worked per week for each position type on the project.
- Cost of incentives, if any
- Cost of travel, per diem
- Summary – Detailed cost breakdown for the project and all sources of funding identified for the project.
- Narrative – Expanded details for specific line items in the budget.

Funds may not be used for purchase of land or buildings, nor may renovations be completed with these funds. Equipment, such as computers, or software, may not be purchased with these funds.

The applicant agency shall use the budget template found in ATTACHMENT C to create the Line Item Budget.

J. Supporting Documents (not inclusive of the 10-page limit)

- 1) An organizational chart identifying the personnel who will be assigned to work on this
- 2) Federal and State certifications (provided with RFA).
- 3) Other documents outlined above.

Submit the complete Application, including signature of authorized representative, to RFA.responses@dhhs.nc.gov no later than 5:00 pm EST on Wednesday, June 1, 2022.

13.0 EVALUATION CRITERIA AND SCORING

PHASE I: INITIAL QUALIFYING CRITERIA

The applicant’s proposal must meet all the following Phase I application acceptance criteria in order to be considered for further evaluation. Any proposal receiving a “no” response to any of the following qualifying criteria shall be disqualified from consideration.

ITEM	APPLICATION ACCEPTANCE CRITERIA	RFA Section	YES	NO
1	Application received by the deadline specified in the RFA			
2	Proposal includes all required affirmative statements, assurances and certifications signed by the applicant’s responsible representative, as described in Appendix A & B of the RFA			
3.	Included in those certifications, the applicant states that it is not excluded from entering a contract with DHHS/State due to restrictions related to the federal debarment list, etc.			
4	Applicant meets eligibility requirements as stated in Section 2.0			
5	Applicant meets the minimum Qualification Requirements as described in Section 5.5			
6.	Program’s review of the applicant verifies that the vendor is not excluded from contracting with DHHS/State for any unresolved finding for recovery.			

PHASE II: CRITERIA FOR SCORING PROPOSAL/APPLICATIONS

Qualifying application proposals will be collectively scored by the proposal review team. All qualified applications will be evaluated, and awards made based on the following criteria considered, to result in awards most advantageous to the State of North Carolina. Applications will be scored on the content, quality, and completeness of the responses to the items in the scope of work and to how well each response addresses the following core factors. DMH/DD/SAS will consider scores, organizational capacity, and distribution among catchment areas, and variety of quality improvement plans in determining awards. Please note that applicants not meeting the eligibility requirements or any of the minimum or mandatory requirements as stated in Phase I: Initial Qualifying Criteria will not be scored.

Evaluation Criteria	Score
Proposal Summary	5 points
Organizational Background and Qualifications	5 points
Assessment of Need / Approach to the Project	10 points
Project Description and Narrative	40 points
Collaboration Support	10 points
Potential Impact	10 points
Organizational Stability	10 points
Line Item Budget/Budget Narrative	10 points

Supporting Documentation	0 points
Total Possible Score	100 points

APPENDIX A
TERMS AND CONDITIONS

1. [HealthCare Providers](#)
2. [Private Sector](#)
3. [Local Government \(Public Sector\)](#)
4. [Other State Departments](#)
5. [Duke](#)
6. [Private University](#)
7. [Master Agreement \(UNC Systems\) incorporated by reference](#)

Select the appropriate terms and conditions for the Contractor organization and attach to the application as indicated in **Section 12: Application Content and Instructions**. These terms are a part of the award document for selected applications.

GENERAL TERMS AND CONDITIONS

Relationships of the Parties

Independent Contractor: The Contractor is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Division.

Subcontracting: The Contractor shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors specified in the contract documents are to be considered approved upon award of the contract. The Division shall not be obligated to pay for any work performed by any unapproved subcontractor. The Contractor shall be responsible for the performance of all of its subcontractors.

Assignment: No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may: (a) Forward the Contractor's payment check directly to any person or entity designated by the Contractor, or (b) Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check. In no event shall such approval and action obligate the State to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

Beneficiaries: Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Contractor that any such person or entity, other than the Division or the Contractor, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

Services

Service Standards: During the term of the Agreement the Contractor and its employees, agents, and subcontractors shall provide high quality professional services consistent with the standards of practice in the geographic area and with all applicable federal, state, and local laws, rules and regulations, all applicable ethical standards, and standards established by applicable accrediting agencies. The Contractor and its employees, agents and subcontractors shall exercise independent professional judgment in the treatment and care of patients.

Records: During the term of this Agreement, the Contractor and its employees, agents, and subcontractors shall maintain complete and professionally adequate medical records consistent with the standards of practice in the geographic area and their respective health care professions. The Contractor and its employees, agents, and subcontractors shall prepare all reports, notes, forms, claims and correspondence that are necessary and appropriate to their professional services.

Licenses: During the term of this Agreement, the Contractor and its employees, agents, and subcontractors shall hold, current facility and occupational licenses and certifications at the levels required to practice their professions and to provide the contracted services in the State of North Carolina.

Indemnity and Insurance

Indemnification: The Contractor agrees to indemnify and hold harmless the Division, the State of North Carolina, and any of their officers, agents and employees, from any claims of third parties arising out of any act or omission of the Contractor or its employees, agents, or subcontractors in connection with the performance of this contract.

- (a) **Insurance:** During the term of the contract, the Contractor shall provide, at its sole cost and expense, commercial insurance of such types and with such terms and limits as may be reasonably associated with the contract. At a minimum, the Contractor shall provide and maintain the following coverage and limits:
- (1) **Professional Liability Insurance:** The Contractor shall ensure that the Contractor and its employees, agents, and subcontractors each maintain through an insurance company or through a program of self-funded insurance, professional liability insurance with limits of at least \$1,000,000 per occurrence and at least \$3,000,000 in the aggregate.

- (2) **Worker's Compensation Insurance:** The Contractor shall provide and maintain worker's compensation insurance, as required by the laws of the states in which its employees work, covering all of the Contractor's employees who are engaged in any work under the contract.
 - (3) **Employer's Liability Insurance:** The Contractor shall provide employer's liability insurance, with minimum limits of \$500,000.00, covering all of the Contractor's employees who are engaged in any work under the contract.
 - (4) **Commercial General Liability Insurance:** The Contractor shall provide commercial general liability insurance on a comprehensive broad form on an occurrence basis with a minimum combined single limit of \$1,000,000.00 for each occurrence.
 - (5) **Automobile Liability Insurance:** The Contractor shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage; a limit of \$500,000.00 for uninsured/under insured motorist coverage; and a limit of \$2,000.00 for medical payment coverage. The Contractor shall provide this insurance for all automobiles that are:
 - (A) owned by the Contractor and used in the performance of this contract;
 - (B) hired by the Contractor and used in the performance of this contract; and
 - (C) owned by Contractor's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance. The Contractor is not required to provide and maintain automobile liability insurance on any vehicle – owned, hired, or non-owned -- unless the vehicle is used in the performance of this contract.
- (b) The insurance coverage minimums specified in subparagraph (a) are exclusive of defense costs.
 - (c) The Contractor understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Contractor's liability or obligations under this contract.
 - (d) The Contractor may obtain a waiver of any one or more of the requirements in subparagraph (a) by demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.

- (e) The Contractor may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.
- (f) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Contractor and is of the essence of this contract.
- (g) The Contractor shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.
- (h) The Contractor shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.
- (i) The Contractor shall require its subcontractors to comply with the requirements of this paragraph.
- (j) The Contractor shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance, if requested, to the Division before the Contractor begins work under this contract.

Default and Termination

Termination Without Cause: The Division may terminate this contract without cause by giving **30 days written notice** to the Contractor. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Division, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made.

Termination for Cause: If, through any cause, the Contractor shall fail to fulfill its obligations under this contract in a timely and proper manner, the Division shall have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Division, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Contractor shall not be relieved of liability to the Division for damages sustained by the Division by virtue of the Contractor's breach of this agreement, and the Division may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the Division from such breach can be determined. In case of default by the

Contractor, without limiting any other remedies for breach available to it, the Division may procure the contract services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Contractor shall be an act of default under this contract.

Waiver of Default: Waiver by the Division of any default or breach in compliance with the terms of this contract by the Contractor shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Contractor and attached to the contract.

Availability of Funds: The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division.

Force Majeure: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

Survival of Promises: All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

Compliance with Applicable Laws

Compliance with Laws: The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

Equal Employment Opportunity: The Contractor shall comply with all federal and State laws relating to equal employment opportunity.

Health Insurance Portability and Accountability Act (HIPAA): The Contractor agrees that, if the Division determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as the Division may require to ensure compliance.

Confidentiality

Confidentiality: Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Division. The parties specifically agree that all medical and other patient records shall be treated as confidential so as to comply with all state and federal laws and regulations regarding confidentiality of such records. These confidentiality obligations shall not terminate with the termination of this Agreement.

Data Security: The Contractor shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.

Duty to Report: The Contractor shall report a suspected or confirmed security breach to the Division's Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Contractor shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered. During the performance of this contract, the contractor is to notify the Division contract administrator of any contact by the federal Office for Civil Rights (OCR) received by the contractor.

Cost Borne by Contractor: If any applicable federal, state, or local law, regulation, or rule requires the Division or the Contractor to give affected persons written notice of a security breach arising out of the Contractor's performance under this contract, the Contractor shall bear the cost of the notice.

Oversight

Access to Persons and Records: The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

Record Retention: Records shall not be destroyed, purged or disposed of without the express written consent of the Division. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to federal policy and regulations, record retention may be longer than five years. Records must be retained for a period of

three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and MEDICAID and Medical Assistance grants and programs must be retained for a minimum of ten years.

Government Review: To the extent required by applicable law and pursuant to written requests from any appropriate governmental authority, Contractor and the Division shall make available to such appropriate governmental authority this Agreement and any books, records, documents and other records that are necessary to certify the nature and extent of the services provided and the cost claimed for services rendered pursuant to this Agreement or so as to otherwise comply with the requirements of any lawful agreement between the party and such governmental authority.

Miscellaneous

Choice of Law: The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Contractor, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

Amendment: This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Division and the Contractor. The Purchase and Contract Divisions of the NC Department of Administration and the NC Department of Health and Human Services shall give prior approval to any amendment to a contract awarded through those offices.

Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision

or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

Headings: The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

Gender and Number: Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.

Time of the Essence: Time is of the essence in the performance of this contract.

Key Personnel: The Contractor shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the Division. The term "key personnel" includes any and all persons identified as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

Care of Property: The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the Division for loss of, or damage to, such property. At the termination of this contract, the Contractor shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

Travel Expenses: Reimbursement to the Contractor for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules. International travel shall not be reimbursed under this contract.

Sales/Use Tax Refunds: If eligible, the Contractor and all subcontractors shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

Advertising: The Contractor shall not use the award of this contract as a part of any news release or commercial advertising.

GENERAL TERMS AND CONDITIONS

Relationships of the Parties

Independent Contractor: The Contractor is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Division.

Subcontracting: The Contractor shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors specified in the contract documents are to be considered approved upon award of the contract. The Division shall not be obligated to pay for any work performed by any unapproved subcontractor. The Contractor shall be responsible for the performance of all of its subcontractors.

Assignment: No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may: (a) Forward the Contractor's payment check directly to any person or entity designated by the Contractor; or (b) Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check. In no event shall such approval and action obligate the State to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

Beneficiaries: Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Contractor that any such person or entity, other than the Division or the Contractor, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

Indemnity and Insurance

Indemnification: The Contractor agrees to indemnify and hold harmless the Division, the State of North Carolina, and any of their officers, agents and employees, from any claims of third parties arising out of any act or

omission of the Contractor in connection with the performance of this contract.

Insurance: (a) During the term of the contract, the Contractor shall provide, at its sole cost and expense, commercial insurance of such types and with such terms and limits as may be reasonably associated with the contract. At a minimum, the Contractor shall provide and maintain the following coverage and limits:

(6) **Worker's Compensation Insurance:** The Contractor shall provide and maintain worker's compensation insurance, as required by the laws of the states in which its employees work, covering all of the Contractor's employees who are engaged in any work under the contract.

(7) **Employer's Liability Insurance:** The Contractor shall provide employer's liability insurance, with minimum limits of \$500,000.00, covering all of the Contractor's employees who are engaged in any work under the contract.

(8) **Commercial General Liability Insurance:** The Contractor shall provide commercial general liability insurance on a comprehensive broad form on an occurrence basis with a minimum combined single limit of \$1,000,000.00 for each occurrence.

(9) **Automobile Liability Insurance:** The Contractor shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage; a limit of \$500,000.00 for uninsured/under insured motorist coverage; and a limit of \$2,000.00 for medical payment coverage. The Contractor shall provide this insurance for all automobiles that are:

- (A) owned by the Contractor and used in the performance of this contract;
- (B) hired by the Contractor and used in the performance of this contract; and
- (C) owned by Contractor's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.

The Contractor is not required to provide and maintain automobile liability insurance on any vehicle – owned, hired, or non-owned – unless the vehicle is used in the performance of this contract.

- (b) The insurance coverage minimums specified in subparagraph (a) are exclusive of defense costs.
- (c) The Contractor understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Contractor's liability or obligations under this contract.
- (d) The Contractor may obtain a waiver of any one or more of the requirements in subparagraph (a) by

demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.

- (e) The Contractor may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.
- (f) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Contractor and is of the essence of this contract.
- (g) The Contractor shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.
- (h) The Contractor shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.
- (i) The Contractor shall require its subcontractors to comply with the requirements of this paragraph.
- (j) The Contractor shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance, if requested, to the Division before the Contractor begins work under this contract.

Default and Termination

Termination Without Cause: The Division may terminate this contract without cause by giving 30 days written notice to the Contractor.

Termination for Cause: If, through any cause, the Contractor shall fail to fulfill its obligations under this contract in a timely and proper manner, the Division shall have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Division, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Contractor shall not be relieved of liability to the Division for damages sustained by the Division by virtue of the Contractor's breach of this agreement, and the Division may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the Division from such breach can be determined. In case of default by the Contractor, without limiting any other remedies for breach available to it, the Division may procure the contract services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The

filing of a petition for bankruptcy by the Contractor shall be an act of default under this contract.

Waiver of Default: Waiver by the Division of any default or breach in compliance with the terms of this contract by the Contractor shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Contractor and attached to the contract.

Availability of Funds: The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division.

Force Majeure: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

Survival of Promises: All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

Intellectual Property Rights

Copyrights and Ownership of Deliverables: All deliverable items produced pursuant to this contract are the exclusive property of the Division. The Contractor shall not assert a claim of copyright or other property interest in such deliverables.

Federal Intellectual Property Bankruptcy Protection Act: The Parties agree that the Division shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365 (n) and any amendments thereto.

Compliance with Applicable Laws

Compliance with Laws: The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

Equal Employment Opportunity: The Contractor shall comply with all federal and State laws relating to equal employment opportunity.

Health Insurance Portability and Accountability Act (HIPAA): The Contractor agrees that, if the Division determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended (“HIPAA”), or its implementing regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as the Division may require to ensure compliance.

Confidentiality

Confidentiality: Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Division. The Contractor acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this contract.

Data Security: The Contractor shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.

Duty to Report: The Contractor shall report a suspected or confirmed security breach to the Division’s Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Contractor shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered. During the performance of this contract, the contractor is to notify the Division contract administrator of any contact by the federal Office for Civil Rights (OCR) received by the contractor.

Cost Borne by Contractor: If any applicable federal, state, or local law, regulation, or rule requires the Division or the Contractor to give affected persons written notice of a security breach arising out of the Contractor’s performance under this contract, the Contractor shall bear the cost of the notice.

Oversight

Access to Persons and Records: The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

Record Retention: Records shall not be destroyed, purged or disposed of without the express written consent of the Division. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to federal policy and regulations, record retention may be longer than five years. Records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and MEDICAID and Medical Assistance grants and programs must be retained for a minimum of ten years.

Warranties and Certifications

Date and Time Warranty: The Contractor warrants that the product(s) and service(s) furnished pursuant to this contract (“product” includes, without limitation, any piece of equipment, hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interfaces therein) that perform any date and/or time data recognition function, calculation, or sequencing will support a four digit year format and will provide accurate date/time data and leap year calculations. This warranty shall survive the termination or expiration of this contract.

Certification Regarding Collection of Taxes: G.S. 143-59.1 bars the Secretary of Administration from entering into contracts with vendors that meet one of the conditions of G.S. 105-164.8(b) and yet refuse to collect use taxes on sales of tangible personal property to purchasers in North Carolina. The conditions include: (a) maintenance of a retail establishment or office; (b) presence of representatives in the State that solicit sales or transact business on behalf of the vendor; and (c) systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. The Contractor certifies that it and all of its affiliates (if any) collect all required taxes.

Miscellaneous

Choice of Law: The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Contractor, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County,

North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

Amendment: This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Division and the Contractor. The Purchase and Contract Divisions of the NC Department of Administration and the NC Department of Health and Human Services shall give prior approval to any amendment to a contract awarded through those offices.

Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

Headings: The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

Gender and Number: Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.

Time of the Essence: Time is of the essence in the performance of this contract.

Key Personnel: The Contractor shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the Division. The term "key personnel" includes any and all persons identified by as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

Care of Property: The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the Division for loss of, or damage to, such property. At the termination of this contract, the Contractor shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

Travel Expenses: Reimbursement to the Contractor for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules. International travel shall not be reimbursed under this contract.

Sales/Use Tax Refunds: If eligible, the Contractor and all subcontractors shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

Advertising: The Contractor shall not use the award of this contract as a part of any news release or commercial advertising.

GENERAL TERMS AND CONDITIONS

Relationships of the Parties

Independent Contractor: The Contractor is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Division.

Subcontracting: The Contractor shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors specified in the contract documents are to be considered approved upon award of the contract. The Division shall not be obligated to pay for any work performed by any unapproved subcontractor. The Contractor shall be responsible for the performance of all of its subcontractors.

Assignment: No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may: (a) Forward the Contractor's payment check directly to any person or entity designated by the Contractor, or (b) Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check. In no event shall such approval and action obligate the State to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

Beneficiaries: Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Contractor that any such person or entity, other than the Division or the Contractor, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

Indemnity and Insurance

Indemnification: The Contractor agrees to indemnify and hold harmless the Division, the State of North Carolina, and any of their officers, agents and employees, from any claims of third parties arising out of any act or omission of the Contractor in connection with the

performance of this contract to the extent permitted by law.

Default and Termination

Termination Without Cause: The Division may terminate this contract without cause by giving 30 days written notice to the Contractor.

Termination for Cause: If, through any cause, the Contractor shall fail to fulfill its obligations under this contract in a timely and proper manner, the Division shall have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Division, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Contractor shall not be relieved of liability to the Division for damages sustained by the Division by virtue of the Contractor's breach of this agreement, and the Division may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the Division from such breach can be determined. In case of default by the Contractor, without limiting any other remedies for breach available to it, the Division may procure the contract services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Contractor shall be an act of default under this contract.

Waiver of Default: Waiver by the Division of any default or breach in compliance with the terms of this contract by the Contractor shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Contractor and attached to the contract.

Availability of Funds: The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division.

Force Majeure: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

Survival of Promises: All promises, requirements, terms, conditions, provisions, representations,

guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

Intellectual Property Rights

Copyrights and Ownership of Deliverables: All deliverable items produced pursuant to this contract are the exclusive property of the Division. The Contractor shall not assert a claim of copyright or other property interest in such deliverables.

Compliance with Applicable Laws

Compliance with Laws: The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

Equal Employment Opportunity: The Contractor shall comply with all federal and State laws relating to equal employment opportunity.

Health Insurance Portability and Accountability Act (HIPAA): The Contractor agrees that, if the Division determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as the Division may require to ensure compliance.

Confidentiality

Confidentiality: Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Division. The Contractor acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this contract.

Data Security: The Contractor shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.

Duty to Report: The Contractor shall report a suspected or confirmed security breach to the Division's Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Contractor shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered.

During the performance of this contract, the contractor is to notify the Division contract administrator of any contact by the federal Office for Civil Rights (OCR) received by the contractor.

Cost Borne by Contractor: If any applicable federal, state, or local law, regulation, or rule requires the Division or the Contractor to give affected persons written notice of a security breach arising out of the Contractor's performance under this contract, the Contractor shall bear the cost of the notice.

Oversight

Access to Persons and Records: The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

Record Retention: Records shall not be destroyed, purged or disposed of without the express written consent of the Division. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to Federal policy and regulations, record retention may be longer than five years. Records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and MEDICAID and Medical Assistance grants and programs must be retained for a minimum of ten years.

Miscellaneous

Choice of Law: The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Contractor, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

Amendment: This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Division and the Contractor. The Purchase and Contract Divisions of the NC Department of Administration and the NC Department of Health and Human Services shall give prior approval to any amendment to a contract awarded through those offices.

Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

Headings: The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

Gender and Number: Masculine pronouns shall be read to include feminine pronouns and the singular of any word

or phrase shall be read to include the plural and vice versa.

Time of the Essence: Time is of the essence in the performance of this contract.

Key Personnel: The Contractor shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the Division. The term "key personnel" includes any and all persons identified as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

Care of Property: The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the Division for loss of, or damage to, such property. At the termination of this contract, the Contractor shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

Travel Expenses: Reimbursement to the Contractor for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules or approved local government travel policy. International travel shall not be reimbursed under this contract.

Sales/Use Tax Refunds: If eligible, the Contractor and all subcontractors shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

Advertising: The Contractor shall not use the award of this contract as a part of any news release or commercial advertising.

GENERAL TERMS AND CONDITIONS

Relationships of the Parties

Subcontracting: The Contractor shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. The Contractor shall be responsible for the performance of all of its subcontractors.

Beneficiaries: Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Contractor that any such person or entity, other than the Division or the Contractor, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

Termination

Termination: The Division may terminate this contract without cause by giving **30 days written notice** to the Contractor. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Division, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made.

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Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as the Division may require to ensure compliance.

Confidentiality

Confidentiality: Any medical records, personnel information or other items exempt from the NC Public Records Act or otherwise protected by law from disclosure given to the Contractor under this contract shall be kept confidential and not divulged or made available to any individual or organization without the prior written approval of the Division.

Data Security: The Contractor shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.

Duty to Report: The Contractor shall report a suspected or confirmed security breach to the Division's Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Contractor shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered. During the performance of this contract, the contractor is to notify the Division contract administrator of any contact by the federal Office for Civil Rights (OCR) received by the contractor.

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policy and regulations, record retention may be longer than five years. Records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and MEDICAID and Medical Assistance grants and programs must be retained for a minimum of ten years.

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Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

Headings: The Section and Paragraph headings in these General Terms and Conditions are not material parts of

the agreement and should not be used to construe the meaning thereof.

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Key Personnel: The Contractor shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the Division. The term "key personnel" includes any and all persons identified as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

Care of Property: The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the Division for loss of, or damage to, such property. At the termination of this contract, the Contractor shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

Travel Expenses: Reimbursement to the Contractor for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules. International travel shall not be reimbursed under this contract.

GENERAL TERMS AND CONDITIONS

Relationships of the Parties

Independent Contractor: The Contractor is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Division.

Subcontracting: The Contractor shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors specified in the contract documents are to be considered approved upon award of the contract. The Division shall not be obligated to pay for any work performed by any unapproved subcontractor. The Contractor shall be responsible for the performance of all of its subcontractors.

Assignment: No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may: (a) Forward the Contractor's payment check directly to any person or entity designated by the Contractor, or (b) Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check. In no event shall such approval and action obligate the State to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

Beneficiaries: Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Contractor that any such person or entity, other than the Division or the Contractor, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

Services

Service Standards: The Contractor shall provide high quality services consistent with the standard of practice in the geographic area and with all applicable federal, state, and local laws, rules and regulations, all applicable ethical standards, and standards established by applicable accrediting agencies. The Contractor shall exercise independent professional judgment in the treatment and care of patients.

Records: The Contractor shall maintain complete and professionally adequate medical records consistent with the standards of practice and the profession. The Contractor shall prepare all reports, notes, forms, claims and correspondence that are necessary and appropriate to the Contractor's provision of professional services.

Licenses: During the term of this Agreement, the Contractor shall hold, a current license at the level required to practice the Contractor's profession and provide the contracted services in the State of North Carolina.

Indemnity and Insurance

Indemnification: The Division, the State of North Carolina and Contractor agree to each be solely responsible for their own acts or omissions in the performance of each of their individual duties hereunder, and shall be financially and legally responsible for all liabilities, costs, damages, expenses and attorney fees resulting from, or attributable to any and all of their individual acts or omissions to the extent allowable by law.

- (k) **Insurance:** During the term of the contract, the Contractor shall provide, at its sole cost and expense, commercial insurance of such types and with such terms and limits as may be reasonably associated with the contract. At a minimum, the Contractor shall provide and maintain the following coverage and limits:
- (10) **Professional Liability:** The Contractor shall provide and maintain, through an insurance company or through a program of self-funded insurance, professional liability insurance for itself with limits of at least \$1,000,000 per occurrence and at least \$3,000,000 in the aggregate.
 - (11) **Worker's Compensation Insurance:** The Contractor shall provide and maintain worker's compensation insurance, as required by the laws of the states in which its employees work, covering all of the Contractor's employees who are engaged in any work under the contract.
 - (12) **Employer's Liability Insurance:** The Contractor shall provide employer's liability insurance, with minimum limits of

\$500,000.00, covering all of the Contractor's employees who are engaged in any work under the contract.

(13) **Commercial General Liability Insurance or A Program of Self Insurance:** The Contractor shall provide commercial general liability insurance on a comprehensive broad form on an occurrence basis with a minimum combined single limit of \$1,000,000.00 for each occurrence.

(14) **Automobile Liability Insurance or A Program of Self Insurance:** The Contractor shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage. The Contractor shall provide this insurance for all automobiles that are:

(A) owned by the Contractor and used in the performance of this contract;

(B) hired by the Contractor and used in the performance of this contract; and

(C) owned by Contractor's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.

The Contractor is not required to provide and maintain automobile liability insurance on any vehicle – owned, hired, or non-owned -- unless the vehicle is used in the performance of this contract.

(l) The Contractor understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Contractor's liability or obligations under this contract.

(m) The Contractor may obtain a waiver of any one or more of the requirements in subparagraph (a) by demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.

(n) The Contractor may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.

(o) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Contractor and is of the essence of this contract.

(p) With the exception of programs of self insurance, the Contractor shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.

(q) The Contractor shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.

(r) The Contractor shall require its subcontractors to comply with the requirements of this paragraph.

(s) The Contractor shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance, if requested, to the Division before the Contractor begins work under this contract.

Default and Termination

Termination Without Cause: The Division may terminate this contract without cause by giving **30 days written notice** to the Contractor. Contractor may terminate this contract without cause upon 90 days prior written notice to the Division. In either event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Division, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made.

Termination for Cause: Either party may terminate this Agreement for any material breach of the Agreement provided the breaching party is given written notice of the breach and 30 days from receipt of such notice to correct the breaching conditions as described in the notice. If, the Contractor should fail to fulfill its obligations under this contract in a timely and proper manner, the Division shall have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Division, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Contractor shall not be relieved of liability to the Division for damages sustained by the Division by virtue of the Contractor's breach of this agreement, and the Division may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the Division from such breach can be determined. In case of default by the Contractor, without limiting any other remedies for breach available to it, the Division may procure the contract services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The

filing of a petition for bankruptcy by the Contractor shall be an act of default under this contract.

Waiver of Default: Waiver by the Division of any default or breach in compliance with the terms of this contract by the Contractor shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Contractor and attached to the contract.

Availability of Funds: The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division.

Force Majeure: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

Survival of Promises: All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

Patents And Inventions: Any invention or discovery made or conceived in the performance of this contract (hereinafter called "*INVENTION*"), and any patent granted on such *INVENTION* shall be jointly or individually owned by Contractor and/or Division in accordance with the following criteria:

- (a) Title to any *INVENTION* made or conceived jointly by employees of both Contractor and Division in the performance of this contract (hereinafter called "*JOINT INVENTION*") vests jointly in Division and Contractor.
- (b) Title to any *INVENTION* made or conceived solely by employees or students of either Contractor or Division in the performance of this Contract vests in the party whose employees or students made or conceived the *INVENTION* or discovery.

Publication: Contractor and its investigators are free to publish papers dealing with the results of the research project, if any, sponsored under this Contract. However, Division must be given thirty (30 days) to review such papers prior to any publication thereof. The Contractor shall acknowledge the Division's funding role in all publications.

Similar Research: Nothing in this Contract may be construed to limit the freedom of the Contractor or of its

researchers who are participants under the Contract from engaging in similar research made under grants, contracts, or agreements with parties other than the Division.

Federal Intellectual Property Bankruptcy Protection Act: The Parties agree that the Division shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto.

Compliance with Applicable Laws

Compliance with Laws: In the performance of this Agreement, the Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

Equal Employment Opportunity: The Contractor shall comply with all federal and State laws relating to equal employment opportunity in the performance of this Agreement.

Health Insurance Portability and Accountability Act (HIPAA): The Contractor agrees that, if the Division determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements in the performance of this Agreement and will execute such agreements and practices as the Division may require to ensure compliance.

Confidentiality

Confidentiality: Any medical records, personnel information or other items exempt from the NC Public Records Act or otherwise protected by law from disclosure given to the Contractor under this contract shall be kept confidential and not divulged or made available to any individual or organization without the prior written approval of the Division. Subject to the foregoing provisions, Contractor reserves the right to use the results of all services provided under this contract for its teaching, research and publication purposes, provided such use is otherwise permitted by applicable law.

Data Security: The Contractor shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.

Duty to Report: The Contractor shall report a suspected or confirmed security breach to the Division's Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Contractor

shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered. During the performance of this contract, the contractor is to notify the Division contract administrator of any contact by the federal Office for Civil Rights (OCR) received by the contractor.

Cost Borne by Contractor: If any applicable federal, state, or local law, regulation, or rule requires the Division or the Contractor to give affected persons written notice of a security breach arising out of the Contractor's performance under this contract, the Contractor shall bear the cost of the notice.

Oversight

Access to Persons and Records: The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

Record Retention: In accordance with the State's basic records retention policy, records resulting from these Services shall not be destroyed, purged or disposed of without the express written consent of the Division during the period specified in the Stat's records retention policy and in accordance with state and federal law. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to federal policy and regulations, record retention may be longer than five years. Records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and MEDICAID and Medical Assistance grants and programs must be retained for a minimum of ten years.

Government Review: To the extent required by applicable law and pursuant to written requests from any appropriate governmental authority, Contractor and the Division shall make available to such appropriate governmental authority this Agreement and any books, records, documents and other records that are necessary

to certify the nature and extent of the services provided and the cost claimed for services rendered pursuant to this Agreement or so as to otherwise comply with the requirements of any lawful agreement between the party and such governmental authority.

Miscellaneous

Choice of Law: The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Contractor, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

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Care of Property: The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the Division for loss of, or damage to, such property. At the termination of this contract, the Contractor shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

Travel Expenses: Reimbursement to the Contractor for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules.

International travel shall not be reimbursed under this contract.

Sales/Use Tax Refunds: If eligible, the Contractor and all subcontractors shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

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Relationships of the Parties

Independent Contractor: The Contractor is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Division.

Subcontracting: The Contractor shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors specified in the contract documents are to be considered approved upon award of the contract. The Division shall not be obligated to pay for any work performed by any unapproved subcontractor. The Contractor shall be responsible for the performance of all of its subcontractors.

Assignment: No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may: (a) Forward the Contractor's payment check(s) directly to any person or entity designated by the Contractor, or (b) Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check(s). In no event shall such approval and action obligate the State to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

Beneficiaries: Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Contractor that any such person or entity, other than the Division or the Contractor, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

Services

Service Standards: The Contractor shall provide high quality services consistent with the standard of practice in the geographic area and with all applicable federal, state, and local laws, rules and regulations, all applicable ethical standards, and standards established by applicable accrediting agencies. The Contractor shall exercise independent professional judgment in the treatment and care of patients.

Records: The Contractor shall maintain complete and professionally adequate medical records consistent with the standards of practice and the profession. The Contractor shall prepare all reports, notes, forms, claims and correspondence that are necessary and appropriate to the Contractor's provision of professional services.

Licenses: During the term of this Agreement, the Contractor shall hold, a current license at the level required to practice the Contractor's profession and provide the contracted services in the State of North Carolina.

Indemnity and Insurance

Indemnification: The Division, the State of North Carolina and Contractor agree to each be solely responsible for their own acts or omissions in the performance of each of their individual duties hereunder, and shall be financially and legally responsible for all liabilities, costs, damages, expenses and attorney fees resulting from, or attributable to any and all of their individual acts or omissions to the extent allowable by law.

- (t) **Insurance:** During the term of the contract, the Contractor shall provide, at its sole cost and expense, commercial insurance of such types and with such terms and limits as may be reasonably associated with the contract. At a minimum, the Contractor shall provide and maintain the following coverage and limits:
- (15) **Professional Liability:** The Contractor shall provide and maintain, through an insurance company or through a program of self-funded insurance, professional liability insurance for itself with limits of at least \$1,000,000 per occurrence and at least \$3,000,000 in the aggregate.
 - (16) **Worker's Compensation Insurance:** The Contractor shall provide and maintain worker's compensation insurance, as required by the laws of the states in which its employees work, covering all of the Contractor's employees who are engaged in any work under the contract.
 - (17) **Employer's Liability Insurance:** The Contractor shall provide employer's liability

insurance, with minimum limits of \$500,000.00, covering all of the Contractor's employees who are engaged in any work under the contract.

(18) **Commercial General Liability Insurance or A Program of Self Insurance:** The Contractor shall provide commercial general liability insurance on a comprehensive broad form on an occurrence basis with a minimum combined single limit of \$1,000,000.00 for each occurrence.

(19) **Automobile Liability Insurance or A Program of Self Insurance:** The Contractor shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage. The Contractor shall provide this insurance for all automobiles that are:

(A) owned by the Contractor and used in the performance of this contract;

(B) hired by the Contractor and used in the performance of this contract; and

(C) owned by Contractor's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.

The Contractor is not required to provide and maintain automobile liability insurance on any vehicle – owned, hired, or non-owned -- unless the vehicle is used in the performance of this contract.

(u) The insurance coverage minimums specified in subparagraph (a) are exclusive of defense costs.

(v) The Contractor understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Contractor's liability or obligations under this contract.

(w) The Contractor may obtain a waiver of any one or more of the requirements in subparagraph (a) by demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.

(x) The Contractor may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.

(y) Providing and maintaining the types and amounts of insurance or self-insurance specified in this

paragraph is a material obligation of the Contractor and is of the essence of this contract.

(z) With the exception of programs of self insurance, the Contractor shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.

(aa) The Contractor shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.

(bb) The Contractor shall require its subcontractors to comply with the requirements of this paragraph.

(cc) The Contractor shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance, if requested, to the Division before the Contractor begins work under this contract.

Default and Termination

Termination Without Cause: The Division may terminate this contract without cause by giving **30 days written notice** to the Contractor. Contractor may terminate this contract without cause upon 90 days prior written notice to the Division. In either event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Division, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made.

Termination for Cause: Either party may terminate this Agreement for any material breach of the Agreement provided the breaching party is given written notice of the breach and 30 days from receipt of such notice to correct the breaching conditions as described in the notice. If, the Contractor should fail to fulfill its obligations under this contract in a timely and proper manner, the Division shall have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Division, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Contractor shall not be relieved of liability to the Division for damages sustained by the Division by virtue of the Contractor's breach of this agreement, and the Division may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the Division from such breach can be determined. In case of default by the Contractor, without limiting any other remedies for breach available to it, the Division may procure the contract services from other sources and hold the Contractor

responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Contractor shall be an act of default under this contract.

Waiver of Default: Waiver by the Division of any default or breach in compliance with the terms of this contract by the Contractor shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Contractor and attached to the contract.

Availability of Funds: The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division.

Force Majeure: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

Survival of Promises: All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

Patents And Inventions: Any invention or discovery made or conceived in the performance of this contract (hereinafter called "*INVENTION*"), and any patent granted on such *INVENTION* shall be jointly or individually owned by Contractor and/or Division in accordance with the following criteria:

- (a) Title to any *INVENTION* made or conceived jointly by employees of both Contractor and Division in the performance of this contract (hereinafter called "*JOINT INVENTION*") vests jointly in Division and Contractor.
- (b) Title to any *INVENTION* made or conceived solely by employees or students of either Contractor or Division in the performance of this Contract vests in the party whose employees or students made or conceived the *INVENTION* or discovery.

Publication: Contractor and its investigators are free to publish papers dealing with the results of the research project, if any, sponsored under this Contract. However, Division must be given thirty (30 days) to review such papers prior to any publication thereof. The Contractor shall acknowledge the Division's funding role in all publications.

Similar Research: Nothing in this Contract may be construed to limit the freedom of the Contractor or of its researchers who are participants under the Contract from engaging in similar research made under grants, contracts, or agreements with parties other than the Division.

Federal Intellectual Property Bankruptcy Protection Act: The Parties agree that the Division shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto.

Compliance with Applicable Laws

Compliance with Laws: In the performance of this Agreement, the Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

Equal Employment Opportunity: The Contractor shall comply with all federal and State laws relating to equal employment opportunity. In the performance of this Agreement.

Health Insurance Portability and Accountability Act (HIPAA): The Contractor agrees that, if the Division determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements in the performance of this Agreement and will execute such agreements and practices as the Division may require to ensure compliance.

Confidentiality

Confidentiality: Any medical records, personnel information or other items exempt from the NC Public Records Act or otherwise protected by law from disclosure given to the Contractor under this contract shall be kept confidential and not divulged or made available to any individual or organization without the prior written approval of the Division. Subject to the foregoing provisions, Contractor reserves the right to use the results of all services provided under this contract for its teaching, research and publication purposes, provided such use is otherwise permitted by applicable law.

Data Security: The Contractor shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.

Duty to Report: The Contractor shall report a suspected or confirmed security breach to the Division's Contract

Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Contractor shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered. During the performance of this contract, the contractor is to notify the Division contract administrator of any contact by the federal Office for Civil Rights (OCR) received by the contractor.

Cost Borne by Contractor: If any applicable federal, state, or local law, regulation, or rule requires the Division or the Contractor to give affected persons written notice of a security breach arising out of the Contractor's performance under this contract, the Contractor shall bear the cost of the notice.

Oversight

Access to Persons and Records: The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

Record Retention: In accordance with the State's basic records retention policy, records resulting from these Services shall not be destroyed, purged or disposed of without the express written consent of the Division during the period specified in the Stat's records retention policy and in accordance with state and federal law. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to federal policy and regulations, record retention may be longer than five years. Records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and MEDICAID and Medical Assistance grants and programs must be retained for a minimum of ten years.

Government Review: To the extent required by applicable law and pursuant to written requests from any appropriate governmental authority, Contractor and the Division shall make available to such appropriate

governmental authority this Agreement and any books, records, documents and other records that are necessary to certify the nature and extent of the services provided and the cost claimed for services rendered pursuant to this Agreement or so as to otherwise comply with the requirements of any lawful agreement between the party and such governmental authority.

Miscellaneous

Choice of Law: The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Contractor, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

Amendment: This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Division and the Contractor. The Purchase and Contract Divisions of the NC Department of Administration and the NC Department of Health and Human Services shall give prior approval to any amendment to a contract awarded through those offices.

Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

Headings: The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

Gender and Number: Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.

Time of the Essence: Time is of the essence in the performance of this contract.

Key Personnel: The Contractor shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the Division.

The term "key personnel" includes any and all persons identified by as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

Care of Property: The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the Division for loss of, or damage to, such property. At the termination of this contract, the Contractor shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

Travel Expenses: Reimbursement to the Contractor for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules. International travel shall not be reimbursed under this contract.

Sales/Use Tax Refunds: If eligible, the Contractor and all subcontractors shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

Advertising: The Contractor shall not use the award of this contract as a part of any news release or commercial advertising.

CERTIFICATIONS AND ASSURANCES

1. Conflict of Interest Acknowledgement and Policy
2. Conflict of Interest Verification Annual
3. State Certification – No Overdue Taxes
4. State Certifications
5. IRS Tax Exempt Verification

CONFLICT OF INTEREST ACKNOWLEDGEMENT AND POLICY

State of _____

County _____

I, _____, Notary Public for said County and State, certify that
_____ personally appeared before me this day and acknowledged
that he/she is _____ of _____
[name of Organization]

and by that authority duly given and as the act of the Organization, affirmed that the foregoing Conflict of
Interest Policy was adopted by the Board of Directors/Trustees or other governing body in a meeting held on the
_____ day of _____, _____.

Sworn to and subscribed before me this _____ day of _____, _____.

(Official Seal)

Notary Public

My Commission expires _____, 20 ____

Instruction for Organization:

Sign and attach the following pages after adopted by the Board of Directors/Trustees or other governing body OR replace the following with the current adopted conflict of interest policy.

Name of Organization

Signature of Organization Official

Conflict of Interest Policy Example

The Board of Directors/Trustees or other governing persons, officers, employees or agents are to avoid any conflict of interest, even the appearance of a conflict of interest. The Organization's Board of Directors/Trustees or other governing body, officers, staff and agents are obligated to always act in the best interest of the organization. This obligation requires that any Board member or other governing person, officer, employee or agent, in the performance of Organization duties, seek only the furtherance of the Organization mission. At all times, Board members or other governing persons, officers, employees or agents, are prohibited from using their job title, the Organization's name or property, for private profit or benefit.

A. The Board members or other governing persons, officers, employees, or agents of the Organization should neither solicit nor accept gratuities, favors, or anything of monetary value from current or potential contractors/vendors, persons receiving benefits from the Organization or persons who may benefit from the actions of any Board member or other governing person, officer, employee or agent. This is not intended to preclude bona-fide Organization fund raising-activities.

B. A Board or other governing body member may, with the approval of Board or other governing body, receive honoraria for lectures and other such activities while not acting in any official capacity for the Organization. Officers may, with the approval of the Board or other governing body, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. Employees may, with the prior written approval of their supervisor, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. If a Board or other governing body member, officer, employee or agent is acting in any official capacity, honoraria received in connection with activities relating to the Organization are to be paid to the Organization.

C. No Board member or other governing person, officer, employee, or agent of the Organization shall participate in the selection, award, or administration of a purchase or contract with a vendor where, to his knowledge, any of the following has a financial interest in that purchase or contract:

1. The Board member or other governing person, officer, employee, or agent;
2. Any member of their family by whole or half blood, step or personal relationship or relative-in-law;
3. An organization in which any of the above is an officer, director, or employee;
4. A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning prospective employment or contracts.

D. **Duty to Disclosure** -- Any conflict of interest, potential conflict of interest, or the appearance of a conflict of interest is to be reported to the Board or other governing body or one's supervisor immediately.

E. **Board Action** -- When a conflict of interest is relevant to a matter requiring action by the Board of Directors/Trustees or other governing body, the Board member or other governing person, officer, employee, or agent (person(s)) must disclose the existence of the conflict of interest and be given the opportunity to disclose all material facts to the Board and members of committees with governing board delegated powers considering the possible conflict of interest. After disclosure of all material facts, and after any discussion with the person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

In addition, the person(s) shall not participate in the final deliberation or decision regarding the matter under consideration and shall leave the meeting during the discussion of and vote of the Board of Directors/Trustees or other governing body.

F. **Violations of the Conflicts of Interest Policy** -- If the Board of Directors/Trustees or other governing body has reasonable cause to believe a member, officer, employee or agent has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board of Directors/Trustees or other governing body determines the member, officer, employee or agent has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

G. **Record of Conflict** -- The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement that presents a possible conflict of interest, the content of the discussion, including any alternatives to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Approved by:

Name of Organization

Signature of Organization Official

Date

Conflict of Interest Verification (Annual)

We, the undersigned entity, hereby testify that our Organization's Conflict of Interest Acknowledgement and Policy adopted by the Board of Directors/Trustees or other governing body, is on file with the North Carolina Department of Health and Human Services (DHHS). If any changes are made to the Conflict of Interest Policy, we will submit a new Conflict of Interest Acknowledgment and Policy to the Department (DHHS).

Name of Organization

Contractor's Authorized Agent

Date

Printed Name of Contractor's Authorized Agent

Title

Signature of Witness

Date

Printed Name of Witness

Title

State Grant Certification – No Overdue Tax Debts

Grantee/Contractor should complete this certification for all state funds received. Entity should enter appropriate data in the yellow highlighted areas. The completed and signed form should be provided to the state agency funding the grant to be attached to the contract for the grant funds. A copy of this form, along with the completed contract, should be kept by the funding agency and available for review by the Office of State Budget and Management.

Note: If you have a contract that extends more than one state fiscal year, you will need to obtain an updated certification for each year of the contract.

Entity's Letterhead

[Date of Certification (mmddyyyy)]

To: State Agency Head and Chief Fiscal Officer

Certification:

We certify that the **[insert organization's name]** does not have any overdue tax debts, as defined by N.C.G.S. 105-243.1, at the federal, State, or local level. We further understand that any person who makes a false statement in violation of N.C.G.S. 143C-6-23(c) is guilty of a criminal offense punishable as provided by N.C.G.S.) 143C-10-1b.

Sworn Statement:

[Name of Board Chair] and **[Name of Second Authorizing Official]** being duly sworn, say that we are the Board Chair and **[Title of the Second Authorizing Official]**, respectively, of **[insert name of organization]** of **[City]** in the State of **[Name of State]**; and that the foregoing certification is true, accurate and complete to the best of our knowledge and was made and subscribed by us. We also acknowledge and understand that any misuse of State funds will be reported to the appropriate authorities for further action.

Board Chair

[Title of Second Authorizing Official]

Sworn to and subscribed before me on the day of the date of said certification.

(Notary Signature and Seal)

My Commission Expires: _____

If there are any questions, please contact the state agency that provided your grant. If needed, you may contact the North Carolina Office of State Budget and Management:

NCGrants@osbm.nc.gov-(919)807-4795

¹ G.S. 105-243.1 defines: Overdue tax debt. – Any part of a tax debt that remains unpaid 90 days or more after the notice of final assessment was mailed to the taxpayer. The term does not include a tax debt, however, if the taxpayer entered into an installment agreement for the tax debt under G.S. 105-237 within 90 days after the notice of final assessment was mailed and has not failed to make any payments due under the installment agreement.”

State Certifications

Contractor Certifications Required by North Carolina Law

Instructions: The person who signs this document should read the text of the statutes and Executive Order listed below and consult with counsel and other knowledgeable persons before signing. The text of each North Carolina General Statutes and of the Executive Order can be found online at:

- 1.1 Article 2 of Chapter 64: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_64/Article_2.pdf
- 1.2 G.S. 133-32: <http://www.ncga.state.nc.us/gascripts/statutes/statutelookup.pl?statute=133-32>
- 1.3 Executive Order No. 24 (Perdue, Gov., Oct. 1, 2009): <http://www.ethicscommission.nc.gov/library/pdfs/Laws/EO24.pdf>
- 1.4 G.S. 105-164.8(b): http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.8.pdf
- 1.5 G.S. 143-48.5: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_143/GS_143-48.5.html
- 1.6 G.S. 143-59.1: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.1.pdf
- 1.7 G.S. 143-59.2: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.2.pdf
- 1.8 G.S. 143-133.3: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_143/GS_143-133.3.html
- 1.9 G.S. 143B-139.6C: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143B/GS_143B-139.6C.pdf

Certifications

- 1.10 **Pursuant to G.S. 133-32 and Executive Order No. 24 (Perdue, Gov., Oct. 1, 2009)**, the undersigned hereby certifies that the Contractor named below is in compliance with, and has not violated, the provisions of either said statute or Executive Order. country” as set forth in G.S. 143-59.1(c)(2) after December 31, 2001 **but** the United States is not the principal market for the public trading of the stock of the corporation incorporated in the tax haven country.
- 1.11 **Pursuant to G.S. 143-48.5 and G.S. 143-133.3**, the undersigned hereby certifies that the Contractor named below, and the Contractor’s subcontractors, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system." E-Verify System Link: www.uscis.gov **1.15 Pursuant to G.S. 143-59.2(b)**, the undersigned hereby certifies that none of the Contractor’s officers, directors, or owners (if the Contractor is an unincorporated business entity) has been convicted of any violation of Chapter 78A of the General Statutes or the Securities Act of 1933 or the Securities Exchange Act of 1934 within 10 years immediately prior to the date of the bid solicitation.
- 1.12 **Pursuant to G.S. 143-59.1(b)**, the undersigned hereby certifies that the Contractor named below is not an “ineligible Contractor” as set forth in G.S. 143-59.1(a) because: **1.16 Pursuant to G.S. 143B-139.6C**, the undersigned hereby certifies that the Contractor will not use a former employee, as defined by G.S. 143B-139.6C(d)(2), of the North Carolina Department of Health and Human Services in the administration of a contract with the Department in violation of G.S. 143B-139.6C and that a violation of that statute shall void the Agreement.
- 1.13 Neither the Contractor nor any of its affiliates has refused to collect the use tax levied under Article 5 of Chapter 105 of the General Statutes on its sales delivered to North Carolina when the sales met one or more of the conditions of G.S. 105-164.8(b); **and** **1.17** The undersigned hereby certifies further that:
- 1.14 [check **one** of the following boxes]
 - Neither the Contractor nor any of its affiliates has incorporated or reincorporated in a “tax haven country” as set forth in G.S. 143-59.1(c)(2) after December 31, 2001; **or**
 - The Contractor or one of its affiliates **has** incorporated or reincorporated in a “tax haven country” as set forth in G.S. 143-59.1(c)(2) after December 31, 2001; **and**
 - 1.18 He or she is a duly authorized representative of the Contractor named below;
 - 1.19 He or she is authorized to make, and does hereby make, the foregoing certifications on behalf of the Contractor; and
 - 1.20 He or she understands that any person who knowingly submits a false certification in response to the requirements of G.S. 143-59.1 and -59.2 shall be guilty of a Class I felony.

Contractor’s Name: _____

Contractor’s Authorized Agent: Signature _____ Date _____

Printed Name _____ Title _____

Witness: Signature _____ Date _____

Printed Name _____ Title _____

The witness should be present when the Contractor's Authorized Agent signs this certification and should sign and date this document immediately thereafter.

*The Non-Profit Contractor must provide a copy of their IRS Tax Exemption Status Letter.
If DHHS already has a copy of that document electronically on file, the annual verification must be submitted
validating that their Tax Exempt Status has not changed.*

IRS Tax Exemption Verification Form (Annual)

We, the undersigned entity, hereby testify that the 501 (c) (3) status is on file with the North Carolina Department of Health and Human Services and is still in effect.

Name of Agency _____

Chairman, Executive Director, or other Authorized Official

Sworn to and subscribed before me, this _____ day of _____, _____.

Notary Public

My Commission expires: _____