



Meeting Date: November 23, 2020

Agenda Item No: _____

Kitsap County Board of Commissioners

Office/Department: Human Services

Staff Contact:

Laura Hyde, Prevention and Youth Services Coordinator, 337-4879

Doug Washburn, Human Services Director, 337-4526

Agenda Item Title: Revenue Contract KC-509-19 Amendment A between Kitsap County and Washington State Health Care Authority to increase contract funding.

Recommended Action: Move that the Board execute Contract KC-509-19 Amendment A with Washington State Health Care Authority.

Summary:

This is an amendment to add \$40,000 to the existing revenue contract for \$440,000 with Washington State Health Care Authority, which will serve approximately 14,000 youth and young adults (based on school district enrollment data). The contract term remains unchanged at July 1, 2019-June 30, 2021.

The following attachments are being updated:

- Attachment 1: Statement of Work
- Attachment 2: Confidential Information Security Requirements
- Attachment 3: Data Use, Security and Confidentiality
- Attachment 4: Business Associate Agreement
- Attachment 5: Federal Compliance, Certifications and Assurances
- Attachment 6: Federal Funding Accountability and Transparency Act (FFATA) Data Collection Form
- Attachment 7: SAMHSA Award Terms
- Attachment 8: Federal Award Identification for Subrecipients
- Attachment 9: Award and Revenues
- Attachment 10: Standards for Reimbursable Costs

This is for alcohol and other drug prevention services. The services identified in this agreement are consistent with the Kitsap County 2014-2016 Strategic Plan Substance Abuse Services Prevention Intervention Treatment Aftercare. This work order will provide prevention services, including:

- Coordination of Prevention Services and Trainings; and
- Ensure Community Prevention and Wellness Initiative (CPWI) refers to the HCA substance abuse prevention delivery system that focuses prevention services in high-need communities in Washington State, as selected by County/Contractor and approved by HCA. Kitsap County has two Prevention Coalition Programs, located in Bremerton and North Kitsap respectively.

Attachments:

1. Contract Review Sheet
2. KC-509-19-A
3. Debarment

Fiscal Impact for this Specific Action

Expenditure required for this specific action:

\$40,000

Related Revenue for this specific action:

\$40,000

Cost Savings for this specific action:

NA

Net Fiscal Impact:

100% grant funded

Source of Funds:

WA State Health Care Authority

Fiscal Impact for Total Project – NA

Fiscal Impact (DAS) Review

Office/Departmental Review & Coordination

| Office/Department | Elected Official/Department Director | |
|--------------------------|---|---------------|
| Human Services | Doug Washburn | Doug Washburn |
| | | |

Contract Information


| Contract Number | Date Original Contract or Amendment Approved | Amount of Original Contract Amendment | Total Amount of Amended Contract |
|------------------------|---|--|---|
| KC-509-19 | 10/28/2019 | \$440,000 | |
| KC-509-19-A | Pending | \$40,000 | \$480,000 |



Kitsap County
CONTRACT REVIEW SHEET
(Chapter 3.56 KCC)

| A. CONTRACT INFORMATION | | | | | |
|--|--|--|--------------------------|---------|-------------------------------------|
| 1. Contractor | Washington State Health Care Authority | | | | |
| 2. Purpose | To increase contract funding. | | | | |
| 3. Contract Amount | \$40,000 | Disburse | <input type="checkbox"/> | Receive | <input checked="" type="checkbox"/> |
| 4. Contract Term | July 1, 2019 - June 30, 2021 | | | | |
| 5. Contract Administrator | Laura Hyde | Phone | 337-4879 | | |
| Approved: | Doug Washburn | Date | 10/26/2020 | | |
| | Department Director | | | | |
| B. AUDITOR – ACCOUNTING INFORMATION | | | | | |
| 1. Contract Control Number | KC-509-19-A | | | | |
| 2. Fund Name | Substance Abuse | | | | |
| 3. Payment from-Revenue to CC/Account Nbr | 1833.3330.93959, 1833.3340.0460 | | | | |
| 4. Encumbered By | Dave Schureman | Date | 10/28/2020 | | |
| C. AUDITOR'S ACCOUNTING – GRANTS REVIEW | | | | | |
| <i>Signature required only if contract is grant funded</i> | | | | | |
| 1. | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Not Approved | | | |
| Reviewer | Dave Schureman | Date | 10/28/2020 | | |
| 2. Comments: | amendment | | | | |
| D. ADMINISTRATIVE SERVICES DEPARTMENT – RISK MANAGER REVIEW | | | | | |
| 1. | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Not Approved | | | |
| Reviewer | Anastasia Johnson | Date | 11/02/2020 | | |
| 2. Comments: | Amendment Only | | | | |
| E. ADMINISTRATIVE SERVICES DEPARTMENT – BUDGET MANAGER REVIEW | | | | | |
| <i>Signature required only if contract is for \$50,000 or more, OR it will be signed by board of commissioners (regardless of dollar amount)</i> | | | | | |
| 1. | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Not Approved | | | |
| Reviewer | Aimée Campbell | Date | 10/28/2020 | | |
| 2. Comments: | | | | | |
| G. PROSECUTING ATTORNEY | | | | | |
| 1. | <input checked="" type="checkbox"/> Approved as to Form* | <input type="checkbox"/> Not Approved as to Form | | | |
| Reviewer | Alan L. Miles | Date | 2020-10-28 | | |
| 2. Comments: | *Comments to be provided separately. | | | | |
| H. CERTIFICATION BY CONTRACT ADMINISTRATOR: THIS CONTRACT IS READY FOR CONSIDERATION BY THE AUTHORIZED CONTRACT SIGNER. | | | | | |
| <i>(For contract signing authority, see KCC 3.56.075)</i> | | | | | |

Contract Administrator: Laura Hyde **Date** 10/26/2020
Date Approved by Authorized Contract Signer: **Date** _____
RETURN SIGNED ORIGINALS TO: Melynda Phelps @ MS-23

| | | |
|--|------------------------------|--|
|  | CLIENT SERVICES | HCA Contract Number: K3923 |
| | CONTRACT RESTATEMENT | Amendment Number: 1 |
| | For CPWI Prevention Services | Contractor/Vendor Contract Number: KC-509-19-A |

This Contract is by and between the State of Washington Health Care Authority (HCA) and the Contractor identified below.

| | | | | |
|--|--------|---|--|---------------|
| CONTRACTOR NAME Kitsap County | | CONTRACTOR DOING BUSINESS AS (DBA) | | |
| CONTRACTOR 614 DIVISION ST MS 23 | Street | City PORT ORCHARD | State WA | Zip Code 0 |
| CONTRACTOR CONTACT Laura Hyde | | CONTRACTOR TELEPHONE 360-337-4879 | CONTRACTOR E-MAIL ADDRESS lhyde@co.kitsap.wa.us | |
| Is Contractor a Subrecipient under this Contract? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | | CFDA NUMBER(S): | FFATA Form Required <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | |
| HCA PROGRAM | | HCA DIVISION/SECTION Division of Behavioral Health and Recovery | | |
| HCA CONTACT NAME AND TITLE Kasey Kates | | HCA CONTACT ADDRESS Health Care Authority 626 8th Avenue SE PO Box 42730 Olympia, WA 98504-2730 | | |
| HCA CONTACT TELEPHONE 360-725-2054 | | HCA CONTACT E-MAIL ADDRESS kasey.kates@hca.wa.gov | | |

| | | |
|---------------------------------|--------------------------------|--|
| CONTRACT START DATE 7/1/2019 | CONTRACT END DATE 6/30/2021 | TOTAL MAXIMUM CONTRACT AMOUNT \$480,000 |
|---------------------------------|--------------------------------|--|

| |
|--|
| <p>The following Attachments and Exhibits are attached and are incorporated into this Contract by reference:</p> <p><input checked="" type="checkbox"/> Attachments (specify):</p> <p>Attachment 1: Statement of Work</p> <p>Attachment 2: Confidential Information Security Requirements</p> <p>Attachment 3: Data Use, Security and Confidentiality</p> <p>Attachment 4: Business Associate Agreement</p> <p>Attachment 5: Federal Compliance, Certifications and Assurances</p> <p>Attachment 6: Federal Funding Accountability and Transparency Act (FFATA) Data Collection Form</p> |
|--|

Attachment 7: SAMHSA Award Terms

Attachment 8: Federal Award Identification for Subrecipients

Attachment 9: Award and Revenues

Attachment 10: Standards for Reimbursable Costs

The parties signing below warrant that they have read and understand this Contract, and have authority to execute this Contract. This Contract will be binding on HCA only upon signature by both parties.

| | | |
|--|---|------------------------------|
| CONTRACTOR SIGNATURE | PRINTED NAME AND TITLE | DATE SIGNED |
| HCA SIGNATURE DocuSigned by: <i>Rachelle Amerine</i> 74E47FE996774E7... | PRINTED NAME AND TITLE Rachelle Amerine Contracts Administrator | DATE SIGNED 10/6/2020 |

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RECITALS

WHEREAS, HCA and Contractor previously entered into Contract K3923 for CPWI services; and

WHEREAS, HCA and Contractor agreed to make substantive changes to the contract; and

WHEREAS, this Amendment supersedes and replaces all prior amendments, attachments, award and revenue tables, contract max, effective 7/1/2019; and

THEREFORE, both parties agree to keep the original contract number, and to use this amendment to restate the entire contract, thereby replacing prior terms and conditions.

1. Definitions.

"Agent" shall mean the Washington State Health Care Authority Director and/or the Director's delegate authorized in writing to act on behalf of the Director.

"Allowable cost" means an expenditure which meets the test of the appropriate executive office of the president of the United States' Office of Management and Budget (OMB) circular. The most significant factors which determine whether a cost is allowable are the extent to which the cost is:

- Necessary and reasonable;
- Allocable;
- Authorized or not prohibited under Washington state or local laws and regulations;
- Adequately documented.

"Authority" shall mean the Washington State Health Care Authority, any section, unit or other entity of the Authority, or any of the officers or other officials lawfully representing the Authority.

"Authorized Representative" means a person to whom signature authority has been delegated in writing acting within the limits of his/her authority.

"Awards and Revenues" or **"A&R"** details the Contractor's Awards and Revenues, attached as Attachment 9.

"BARS" means fiscal/program requirements "BARS" means the Washington State Auditor's Office Budgeting, Accounting, and Reporting System. See – "Fiscal/Program Requirements", definition below, for more information.

"Breach" means the unauthorized acquisition, access, use, or disclosure of confidential information that compromises the security, confidentiality, or integrity of the confidential information.

"Business Associate" means a Business Associate as defined in 45 CFR 160.103, who performs or assists in the performance of an activity for or on behalf of HCA, a Covered Entity, which involves the use or disclosure of protected health information (PHI). Any reference to Business Associate in this Contract includes Business Associate's employees, agents, officers, Subcontractors, third party contractors, volunteers, or directors.

"Business Days and Hours" means Monday through Friday, 8:00 a.m. to 5:00 p.m., Pacific Time, except for holidays observed by the state of Washington.

"Certified Prevention Professional" or **"CPP"** means the Prevention Specialist certification recognized by the International Credentialing and Reciprocity Consortium (IC&RC) and supported by the Prevention Specialist Certification Board of Washington, www.pscbw.com.

“**CFR**” means the Code of Federal Regulations. All references in this Contract to CFR chapters or sections include any successor, amended, or replacement regulation. The CFR may be accessed at <http://www.ecfr.gov/cgi-bin/ECFR?Page=browse>.

“**Coalition**” means a formal arrangement for cooperation and collaboration between groups or sectors of a community. Each participant in the Coalition retains their identity, but all agree to work together toward a common goal of building a safe, healthy, and drug-free community.

“**Community**” means an approved geographic area within school district boundaries, or within High School Attendance Areas (HSAA) and their feeder schools.

“**Community Prevention and Wellness Initiative**” or “**CPWI**” means the HCA substance use disorder prevention delivery system that focuses prevention services in high-need communities in Washington State as approved by HCA.

“**Confidential Information**” means information that is protected from disclosure to the public or other unauthorized persons under chapter 42.56 RCW or other federal or state laws. Confidential information includes, but is not limited to, personal information.

“**Contract**” or “**Agreement**” means the entire written agreement between the authority and the contractor, including any exhibits, documents, or materials incorporated by reference. The parties may execute this contract in multiple counterparts, each of which is deemed an original and all of which constitute only one agreement. E-mail (electronic mail) or fax (facsimile) transmission of a signed copy of this contract shall be the same as delivery of an original.

“**Contractor**” means the individual or entity performing services pursuant to this contract and includes the contractor’s owners, members, officers, directors, partners, employees, and/or agents, unless otherwise stated in this contract. For purposes of any permitted subcontract, “contractor” includes any subcontractor and its owners, members, officers, directors, partners, employees, and/or agents.

“**CSAP**” means SAMHSA’s Center for Substance Abuse Prevention. CSAP works with federal, state, public, and private organizations to develop a comprehensive prevention system.

“**Cultural Competency**” means a set of congruent behaviors, attitudes and policies that come together in a system, or agency, and enables that system or agency to work effectively in cross-cultural situations. A culturally competent system of care acknowledges and incorporates at all levels the importance of language and culture, assessment of cross-cultural relations, knowledge and acceptance of dynamics of cultural differences, and expansion of cultural knowledge and adaptation of services, to meet culturally unique needs.

“**Data**” means information produced, furnished, acquired, or used by contractor in meeting requirements under this contract. This includes Personal Information and Protected Health Information.

“**DBHR**” means the “**Division of Behavioral Health and Recovery**,” a division of HCA, or its successors.

“**DEA**” means the United States federal “**Drug Enforcement Agency**”.

“**Debarment**” means an action taken by a federal agency or official to exclude a person or business entity from participating in transactions involving certain federal funds.

“**Dedicated Marijuana Account**” or “**DMA**” means revenue generated by taxation of retail marijuana as a result of the implementation of Initiative 502 (I-502) as authorized by the Washington State Legislature in 2E2SHB 2136.

“DUNS” or **“Data Universal Numbering System”** means a unique identifier for businesses. DUNS numbers are assigned and maintained by Dun and Bradstreet (D&B) and are used for a variety of purposes, including applying for government contracting opportunities.

“Effective Date” means the first date this Contract is in full force and effect. It may be a specific date agreed to by the parties; or, if not so specified, the date of the last signature of a party to this Contract.

“Encrypt” means to encode confidential information into a format that can only be read by those possessing a “key”; a password, digital certificate or other mechanism available only to authorized users. Encryption must use a key length of at least 128 bits.

“Ensure” means to make sure that something will happen or will be available within the resources identified in the Consideration.

“EPA” means the Environmental Protection Agency.

“Evidence-Based Program” or **“EBP”** means a program that has been tested in heterogeneous or intended populations that can be implemented with a set of procedures to all successful replication in Washington. An EBP has had multiple randomized and/or statistically-controlled evaluations, or one large multiple-site randomized and/or statistically-controlled evaluations, and the weight of the evidence from a systematic review demonstrates sustained improvements in at least one of the desired outcomes.

“Fiscal/Program Requirements” means the Supplementary Instructions and Fiscal Policy Standards for Reimbursable Costs as used by HCA, located at: <https://www.hca.wa.gov/billers-providers-partners/prior-authorization-claims-and-billing/provider-billing-guides-and-fee-schedules#t>.

“For Profit” means a business or institution initiated or operated for the purpose of making a profit.

“General Fund State” or **“GFS”** or **“SFG”** means the administrative allocation awarded for Substance Abuse Block Grant.

“HCA Contract Manager” means the individual identified on the cover page of this Contract who will provide oversight of the Contractor’s activities conducted under this Contract.

“Health Care Authority” or **“HCA”** means the Washington State Health Care Authority, any division, section, office, unit or other entity of HCA, or any of the officers or other officials lawfully representing HCA.

“Health disparities” means a particular type of health difference that is closely linked with social, economic, and/or environmental disadvantage. Health disparities adversely affect groups of people who have systematically experienced greater obstacles to health based on their racial or ethnic group; religion; socioeconomic status; gender; age; mental health; cognitive sensory, or physical disability; sexual orientation or gender identity; geographic location; or other characteristics historically linked to discrimination or exclusion.” (Healthy People 2020).

“Health equity” means the attainment of the highest level of health for all people. Achieving health equity requires valuing everyone equally with focused and ongoing societal efforts to address avoidable inequalities, historical and contemporary injustices, and the elimination of health and health care disparities.” (Healthy People 2020)

“Innovative program” means a program that does not fall into the other categories of Evidence-based, Research-based, or Promising.

“Media Materials and Publications” means:

- News Release: A brief written announcement the agency provides to reporters highlighting key events, research, results, new funding and programs, and other news;

- **Paid Media:** Any advertising space/time that is purchased for prevention/coalition messages (printed publications/newspapers, online, outdoor, on-screen, TV and radio);
- **Earned Media:** Published news stories (print, broadcast or online) resulting from the Contractor's Agreements with reporters;
- **Donated Media,** including public service announcements. Any free advertising space or time from broadcast, print, outdoor, online, and other advertising vendors;
- **Social Media:** Also referred to as new media: messaged posted online of Facebook, Twitter, YouTube, Instagram, Snapchat and similar sites.

"Office of Contracts and Procurement" or "OCP" means the Washington State Health Care Authority central headquarters contracting office, or successor section or office.

"OMB" means the Office of Management and Budget of the executive office of the president of the United States.

"Overpayment" means any payment or benefit to the Contractor in excess of that to which the Contractor is entitled by law, rule, or this Contract, including amounts in dispute.

"Partnerships for Success" means the Federal Substance Abuse and Mental Health Services Administration (SMHSAA) Grant 2013 and 2018, CFDA number 93.243.

"Personal information" means information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers.

"Physically Secure" means that access is restricted through physical means to authorized individuals only.

"Prevention Activity Data" means information input to the "Substance Abuse Disorder Prevention Mental Health Promotion Online Reporting System" or "Minerva" or its successor to record all active prevention services including outcome measures. This information will be used to verify services identified in A-19 invoices prior to payment and must be entered into Minerva by the close of business of the fifteenth (15th) of each month for prevention activities provided during the previous month.

"Prevention System Manager" or "PSM" means the designee assigned to manage day to day responsibilities associated with this Contract.

"Program Income" means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance.

"Promising Program" means a program that is based on statistical analyses or a well-established theory of change, shows potential for meeting the "evidence-based" or "research-based" criteria, and could include the use of a program that is evidence-based for outcomes other than the alternative use.

"Proprietary Information" means information owned by Contractor to which Contractor claims a protectable interest under law. Proprietary Information includes, but is not limited to, information protected by copyright, patent, trademark, or trade secret laws.

"Protected Health Information" or "PHI" means individually identifiable information that relates to the provision of health care to an individual; the past, present, or future physical or mental health or condition of an individual; or past, present, or future payment for provision of health care to an individual, as defined in 45 CFR 160.103. Individually identifiable information is information that identifies the individual or about which there is a reasonable basis to believe it can be used to identify the individual, and includes demographic

information. PHI is information transmitted, maintained, or stored in any form or medium. 45 CFR 164.501. PHI does not include education records covered by the Family Educational Rights and Privacy Act, as amended, 20 USC 1232g(a)(4)(b)(iv).

“Public information” means information that can be released to the public. It does not need protection from unauthorized disclosure, but does need protection from unauthorized change that may mislead the public or embarrass HCA.

“RCW” means the revised code of Washington. All references in this contract to RCW chapters or sections shall include any successor, amended, or replacement statute. Pertinent RCW chapters can be accessed at: <http://apps.leg.wa.gov/rcw/>.

“Regular Annual Schedule” means consistent, reliable services with a pattern of implementation intervals throughout the year.

“Regulation” means any federal, state, or local regulation, rule, or ordinance.

“Research-Based Program” means a program that has been tested with a single randomized and/or statistically controlled evaluation, demonstrates sustained desirable outcomes; or where the weight of the evidence from a systematic review supports sustained outcomes as identified in the term “evidence-based,” but does not meet the full criteria for “evidence-based.”

“SAMHSA” means the Substance Abuse and Mental Health Services Administration.

“Secured Area” means an area to which only authorized representatives of the entity possessing the confidential information have access. Secured areas may include buildings, rooms or locked storage containers (such as a filing cabinet) within a room, as long as access to the confidential information is not available to unauthorized personnel.

“Sensitive information” means information that is not specifically protected by law, but should be limited to official use only, and protected against unauthorized access.

“State Opioid Response” or “SOR” or SOR II means the Federal Substance Abuse and Mental Health Services Administration (SAMHSA) Grant, CFDA number 93.788.

“Statement of Work” or “SOW” means a detailed description of the work activities the Contractor is required to perform under the terms and conditions of this Contract, including the deliverables and timelines identified in Attachment 1.

“Subcontract” means any separate agreement or contract between the Contractor and an individual or entity (“Subcontractor”) to perform all or a portion of the duties and obligations that the contractor is obligated to perform pursuant to this contract.

“Substance Abuse Block Grant” or “SABG” means Federal Substance Abuse Block Grant funded by the Substance Abuse and Mental Health Services Administration (SAMHSA), CFDA number 93.959.

“Substance Use Disorder” or “SUD” means a cluster of cognitive, behavioral, and physiological symptoms indicating that an individual continues using the substance despite significant substance-related problems. The diagnosis of a Substance Use Disorder is based on a pathological pattern of behaviors related to the use of the substances.

“Substance Use Disorder Prevention and Mental Health Promotion Online Reporting System” or “Minerva” or its successor means the management information system maintained by HCA that collects planning, demographic, and prevention service data.

“Successor” means any entity which, through amalgamation, consolidation, or other legal succession becomes invested with rights and assumes burdens of the original contractor.

“Sub-Recipient” means a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A sub-recipient may also be a recipient of other federal awards directly from a federal awarding agency. As in 45 C.F.R. 75.2, or any successor or replacement to such definition, for any federal award from HHS; or 2 C.F.R. 200.93, or any successor or replacement to such definition, for any other federal award. See OMB circular a-133 for additional details.

“USC” means the United States Code. All references in this Contract to USC chapters or sections will include any successor, amended, or replacement statute. The USC may be accessed at <http://uscode.house.gov/>

“Vendor” means a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the federal program. See OMB circular a-133 for additional details.

“WAC” means the Washington administrative code. All references in this contract to WAC chapters or sections shall include any successor, amended, or replacement regulation. Pertinent WAC chapters or sections can be accessed at: <http://apps.leg.wa.gov/wac/>

“Young Adult” means an individual from age eighteen (18) through twenty (20).

“Youth” means an individual from age ten (10) through age seventeen (17).

2. Purpose

The purpose of this contract is to obtain CPWI Prevention Services in order to increase capacity to implement direct and environmental substance use disorder prevention services in high need communities qualified to immediately implement identified evidence-based practices and programs to prevent and reduce the misuse and abuse of alcohol, tobacco, marijuana, opioids, and/or other drugs.

3. Term

The initial term of this Contract will commence on **7/1/2019**, and continue through **6/30/2021**, unless terminated sooner as provided herein.

This Contract may be extended in whatever time increments HCA deems appropriate.

Work performed prior to full contract execution, signed by the authorized representatives of both parties will be at the sole risk of the Contractor. HCA will not pay any costs incurred before a Contract or subsequent amendment is fully executed.

4. Applicable Law

These legal resources identified below are incorporated by reference and include but are not limited to the following:

- i. 21 CFR Food and Drugs Chapter I, Subchapter C, Drugs: General;
- ii. 42 CFR Subchapter A-General Provisions, Part 2 Confidentiality of Alcohol and Drug Abuse Patient Records;
- iii. Omnibus Crime Control and Safe Streets Act of 1968;
- iv. 45 CFR Public Welfare, Part 96 Block Grants, Subpart L Substance Abuse Block Grant;
- v. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Award, 2 CFR Part 200, 45 CFR Part 75;

- vi. Fiscal/Program Requirements (formerly part of the BARS document) <https://www.hca.wa.gov/billers-providers-partners/prior-authorization-claims-and-billing/provider-billing-guides-and-fee-schedules#t>;
- vii. Title VI of the Civil Rights Act of 1964;
- viii. Section 504 of the Rehabilitation Act of 1973;
- ix. Title II of the Americans with Disabilities Act of 1990;
- x. Title IX of the Education Amendments of 1972;
- xi. The Age Discrimination Act of 1975; and
- xii. The Department of Justice Non-Discrimination Regulations at 28 CFR Part 42, Subparts C, D, E and G, and 28 CFR Parts 35 and 39.

5. Performance Standards

Contractor is expected to adhere to the following performance standards throughout the duration of this Contract:

- i. Adherence to all applicable state and federal laws, including but limited to all legal resources identified in Section 4 of this Contract;
- ii. Use of professional judgment;
- iii. Collaboration with HCA staff in Contractor's conduct of services;
- iv. Conformance with HCA directions regarding the delivery of services;
- v. Timely, accurate and informed communications;
- vi. Regular completion and updating of project plans, reports, documentation and communications;
- vii. Ensure all services and activities provided by the Contractor or subcontractors are designed and delivered in such a manner sensitive to the needs of all diverse populations;
- viii. Regular, punctual attendance at all meetings; and
- ix. Provision of high quality services.

6. Contractor and HCA Contract Managers

Contractor's Contract Manager or designee will have prime responsibility and final authority for the services provided under this Contract and be the principal point of contact for the HCA Contract Manager for all business matters, performance matters, and administrative activities.

HCA's Contract Manager or designee is responsible for monitoring the Contractor's performance and will be the contact person for all communications regarding Contract performance and deliverables. The HCA Contract Manager or designee has the authority to accept or reject the services provided and must approve Contractor's invoices prior to payment.

The contact information provided below may be changed by written notice of the change (email acceptable) to the other party.

| CONTRACTOR | | Health Care Authority | |
|-------------------------------------|---|-------------------------------------|--|
| Contract Manager Information | | Contract Manager Information | |
| Name: | Laura Hyde | Name: | Kasey Kates |
| Address: | 614 Division St MS 23 Port Orchard, WA 98366-4676 | Address: | 621 8 th Avenue SE Olympia, WA 98504 |
| Phone: | 360-337-4879 | Phone: | 360-725-2054 |
| Email: | lhyde@co.kitsap.wa.us | Email: | kasey.kates@hca.wa.gov |

7. Contractor Monitoring

HCA will monitor the performance of the Contractor against goals and performance standards as stated in Attachment 1: *Statement of Work*. Substandard performance as determined by HCA will constitute non-compliance with this Contract. If action to correct such substandard performance is not taken by the Contractor within a reasonable period of time after being notified by HCA, suspension or termination procedures will be initiated.

7.1. Subrecipient Compliance

If the Contractor is a subrecipient (as defined in 2 CFR 200.330) of federal awards, then the Contractor shall:

- i. Maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity;
- ii. Maintain internal controls that provide reasonable assurance that the Contractor is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs;
- iii. Prepare appropriate financial statements, including a schedule of expenditures of federal awards;
- iv. Incorporate OMB Circular A-133 audit requirements into all agreements between the Contractor and its Subcontractors who are sub-recipients;
- v. Comply with any future amendments to OMB Circular A-133 and any successor or replacement Circular or regulation;
- vi. Comply with the applicable requirements of OMB Circular A-87 and any future amendments to OMB Circular A-87, and any successor or replacement Circular or regulation; and
- vii. Comply with the Omnibus Crime Control and Safe streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, The Age Discrimination Act of 1975, and The Department of Justice Non-Discrimination Regulations, 28 C.F.R. Part 42, Subparts C.D.E. and G, and 28 C.F.R. Part 35 and 39. (Go to

www.ojp.usdoj.gov/ocr/statutes.htm for additional information and access to the aforementioned Federal laws and regulations.)

7.1.1. Single Audit Compliance

If the Contractor is a subrecipient and expends \$750,000 or more in federal awards from any and/or all sources in any fiscal year, the Contractor shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Contractor shall:

- i. Submit to the HCA contact person the data collection form and reporting package specified in OMB Circular A-133, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor.
- ii. Follow-up and develop corrective action for all audit findings; in accordance with OMB Circular A-133 including prepare a "Summary Schedule of Prior Audit Findings."

7.2. Monitoring Activities

The Contractor is required to meet or exceed the monitoring activities, as outlined below. Compliance will be monitored throughout the performance period to assess risk. Concern will be addressed through a Corrective Action Plan. Monitoring activities may include, but are not limited to:

- i. Review of financial and performance reports;
- ii. Monitoring and documenting the completion of Contract deliverables;
- iii. Documentation of phone calls, meetings (e.g. agendas, sign-in sheets, meeting minutes), e-mails and correspondence;
- iv. Review of reimbursement requests and supporting documentation to ensure allowability and consistency with Contract work plan, budget and Federal requirements;
- v. Observation and documentation of Contract-related activities, such as trainings and events;
- vi. On-site visits or desk audits to review records and inventories, to verify source documentation for reimbursement requests and performance reports, and to verify completion of deliverables.

7.2.1. Corrective Action Plans

HCA may require the Contractor to develop a Corrective Action Plan (CAP), which must be submitted for approval to HCA within fifteen (15) calendar days of notification unless otherwise specified. CAPs may require modification to any policies or procedures by the Contractor relating to fulfillment of its obligations pursuant to this Contract. HCA, at its sole discretion, may extend or reduce the time allowed for corrective action depending upon the nature of the situation.

- i. CAPs must at a minimum include:
 - a. A brief description of the finding(s), including all relevant information specific to the issue(s);
 - b. Specific actions taken and to be taken by the Contractor, including: a timetable; a description of the monitoring to be performed.
- ii. CAPs are subject to approval by HCA. HCA may:
 - a. Accept the plan as submitted;
 - b. Accept the plan with specified modifications;

- c. Request a modified plan;
- d. Reject the plan.

7.2.2. Extension to Deliverables

The Contractor must request **prior** written approval from the HCA Contract Manager to waive or extend a due date identified in Attachment 1: *Statement of Work* and, once approved, submit those deliverables and the associated costs on the next scheduled reimbursement due date.

Waiving or missing deadlines serves as an indicator for assessing an agency's level of risk of noncompliance with the regulations, requirements, and the terms and conditions of the Contract and may increase required monitoring activities.

Any request for a waiver or extension of a due date identified in Attachment 1: *Statement of Work* will be treated as a request for an Amendment of the Contract. This request must be submitted to the HCA Contract Manager sufficiently in advance of the due date to provide adequate time for HCA to review and consideration and may be granted or denied within HCA's sole discretion.

8. Compensation and Billing

8.1. Consideration and Source of Funds

Total consideration payable to the Contractor for satisfactory performance of the work under this Contract is up to a maximum of **\$480,000**, including any and all expenses, in accordance with Attachment 9 Awards and Revenues.

Funding for any additional periods past the initial term are contingent on satisfactory completion of all contract requirements and continued state and/or federal funding. Contractors may be required to submit an updated Action Plan and Budget to HCA in order to receive funding for additional terms.

Funding that supports this Contract comes from state and/or federal grant funds, HCA, and the Catalog of Federal Domestic Assistance (CFDA) as listed within the Awards and Revenue. Any state or federal funds obligated under this Contract which are not expended according to the timeline on the Awards and Revenues, may not be used or carried forward to any other Contract or time period.

Subrecipients shall only use federal award funds under this Contract to supplement existing funds and will not use them to replace (supplant) non-federal funds that have been budgeted for the same purpose. The Subrecipient may be required to demonstrate and document that a reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

8.2. Reimbursements

HCA shall reimburse the Contractor only for actual incurred and allowable costs for the services identified in this Contract and in accordance with Attachment 10: *Standards for Reimbursable Costs*.

The Contractor shall not bill and HCA shall not pay for services performed under this contract, if the contractor has charged or will charge another agency of the state of Washington or any other party for the same services.

Reimbursement requests will not be approved for payment until the Contractor is current with all reporting requirements contained in this Contract.

HCA shall not make any payments in advance or anticipation of the delivery of services to be provided pursuant to this Contract.

All work under this Contract must end on or before the funding source end date and the final reimbursement request must be submitted to HCA within forty-five (45) calendar days after the funding source end date, except as otherwise authorized by either (1) written amendment of this Contract or (2) written notification from the HCA to the Contractor.

Upon expiration of the Contract, any claims for payment for costs due and payable under this Contract that are incurred prior to the expiration date must be submitted by the Contractor to HCA within sixty (60) calendar days after the Contract expiration date or within forty-five (45) calendar days after the funding source end date, whichever comes first, except as otherwise authorized by either (1) written amendment of this Contract or (2) written notification from the HCA to the Contractor.

The Contractor must submit invoices for costs due and payable under this contract within ninety (90) days of the date services were provided or within sixty (60) calendar days after the Contract expiration date or within forty-five (45) calendar days after the funding source end date, whichever comes first, except as otherwise authorized by either (1) written amendment of this Contract or (2) written notification from HCA to the Contractor.

HCA is under no obligation to pay any claims that are submitted forty-six (46) or more days after the funding source end date, sixty-one (61) or more calendar days after the Contract expiration date, or ninety-one (91) or more calendar days after the date of services were provided ("Belated Claims"). HCA will pay Belated Claims at its sole discretion, and any such potential payment is contingent upon the availability of funds.

Payment shall be considered timely if made by HCA within thirty (30) business days after receipt and acceptance by HCA of the properly completed invoices. Payments shall be sent to the address designated by the Contractor on page one (1) of this Contract. HCA may, at its sole discretion, withhold payment claimed by the Contractor for services rendered if Contractor fails to satisfactorily comply with any term or condition of this Contract.

8.3. Invoice System

The Contractor shall submit invoices using State Form A-19 Invoice Voucher, or such other form as designated by HCA. Consideration for services rendered shall be payable upon receipt of properly completed invoices which shall be submitted via email to: A-19DBHR@hca.wa.gov by the Contractor not more often than monthly unless otherwise specified. Please include the contract number in the subject line of the email, followed by the Prevention System Naming Convention and cc the Contract Manager or designee when submitting the invoice. Contractor may bill for cost reimbursement for month of service if appropriate service data is provided in Minerva.

Invoices must describe and document to HCA's satisfaction a description of the work performed, the progress of the project, and fees. If expenses are invoiced, invoices must provide a detailed breakdown of each type. All fund sources are to be billed for separately as outlined on the A-19 Invoice Voucher. All invoices will be reviewed and must be approved by the Contract Manager or his/her designee prior to payment. HCA shall not be obligated to reimburse the Contractor for any services or activities performed prior to having a fully executed copy of this Contract. The Contractor shall ensure all expenditures for services and activities under the Contract are submitted on the A-19 invoice and have the associated appropriate Minerva data entry.

HCA will deny incorrect or incomplete invoices to the Contractor for correction and reissue. The Contract Number must appear on all invoices, bills of lading, packages, and correspondence relating to this Contract.

In order to receive payment for services or products provided to a state agency, Contractor must register with the Statewide Payee Desk at <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services/receiving-payment-state>. Payment will be directly deposited in the bank account or sent to the address Contractor designated in its registration.

Administrative costs shall be billed separately from direct prevention services as indicated on the A-19 invoice.

- i. Administrative costs are defined in the Fiscal/Program Requirements.
- ii. The Contractor shall use no more than eight percent 8% of each fund source allocation for administrative costs.
 - i. Contractor may bill up to 8% of total costs to admin by fund source as specified on the A&R however the following also applies:
 1. Admin costs must be billed in proportion to direct expenses. Admin should be charged using the following formula: $\text{Direct costs} / (1 - \text{allowed admin rate}) = \text{Total Costs}$; $\text{Total costs} - \text{Direct costs} = \text{Admin costs}$.
 2. Administrative costs are to be reconciled at the end of each fund source time period to ensure adherence.
- iii. No SABG funds allocated in this contract shall be used for administrative costs unless otherwise specified on the A&R. Admin for SABG is allocated as GFS unless otherwise specified.

HCA reserves the right to reduce the Prevention funds awarded in the Contract if the Contractor expenditures are below 60% of expected levels during each fiscal quarter. Expenditures will be reviewed quarterly.

SOR, PFS, DMA, and GFS funds may not be carried forward from year to year, based upon their respective fiscal year.

8.4. Payments for Unallowable Costs and/or Overpayments

If it is determined by the HCA, or during the course of a required audit, that the Contractor has been paid unallowable costs under this Contract, HCA may require the Contractor to reimburse the Authority in accordance with OMB Circular A-87.

In the event that overpayments or erroneous payments have been made to the Contractor under this Contract, HCA will provide written notice to Contractor and Contractor shall refund the full amount to HCA within thirty (30) calendar days of the notice.

8.5. State and Federal Funding Requirements

The Contractor shall comply with the following:

- i. Comply with all applicable provisions of the Notice of Awards for the SOR and PFS grants, SABG, and any other federal grants noted on the Awards and Revenues;
- ii. Comply with RCW 69.50.540 Dedicated Marijuana Account Appropriations;
- iii. Maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by CFDA title and number, award number and year, name of the federal agency, and name of the pass-through entity;

- iv. Maintain internal controls that provide reasonable assurance that the Subrecipient is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs;
- v. The Contractor shall ensure that Charitable Choice Requirements of 42 CFR Part 54 are followed and that Faith-Based Organizations (FBO) are provided opportunities to compete with traditional alcohol/drug abuse prevention providers for funding;
- vi. If the Contractor subcontracts with FBOs, the Contractor shall require the FBO to meet the requirements of 42 CFR Part 54 as follows:
 - a. Applicants/recipients for/of services shall be provided with a choice of prevention providers.
 - b. The FBO shall facilitate a referral to an alternative provider within a reasonable time frame when requested by the recipient of services.
 - c. The FBO shall report to the Contractor all referrals made to alternative providers.
 - d. The FBO shall provide recipients with a notice of their rights.
 - e. The FBO provides recipients with a summary of services that includes any inherently religious activities. Prepare appropriate financial statements, including a schedule of expenditures of federal awards.
 - f. Funds received from the federal block grant must be segregated in a manner consistent with Federal regulations.
- vii. No funds may be expended for religious activities.

9. Subcontracting

Neither the Contractor nor any Subcontractor shall enter into subcontracts for any of the work contemplated under this Contract without obtaining prior written approval of the HCA. In no event shall the existence of the subcontract operate to release or reduce the liability of the contractor to the HCA for any breach in the performance of the Contractor's duties. This clause does not include contracts of employment between the Contractor and personnel assigned to work under this Contract.

Additionally, the Contractor is responsible for ensuring that all terms, conditions, assurances and certifications set forth in this Contract are carried forward to any subcontracts. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons Confidential Information without the express written consent of the Authority or as provided by law.

The rejection or approval by the Authority of any subcontractor or the termination of a subcontractor shall not relieve the Contractor of any of its responsibilities under this Contract, nor be the basis for additional charges to the Authority.

The Authority has no contractual obligations to any subcontractor or vendor under contract to the Contractor. The Contractor is fully responsible for all contractual obligations, financial or otherwise, to their subcontractors.

9.1. Subcontract Language

It is the Contractor's sole responsibility to ensure that its subcontractors performing services under this Contract are meeting the requirements below and as otherwise outlined in this Contract when providing services to patients, clients, or persons seeking assistance, which include but are not limited to:

- i. Subcontractor's identifying information including DUNS number and Zip code +4 of subcontractor
- ii. Applicable definitions
- iii. Identification of purpose and term of subcontract
- iv. Federal and state laws as applicable
 - a. This includes, but not limited to OMB and the audit requirements - [OMB 2 CFR, Part 200, Subpart F](#) audit requirements if applicable to the subcontractor
- v. Subrecipient requirements as applicable
- vi. Identification of funding sources and associated funding requirements
- vii. Determination of eligible clients
- viii. Compensation and billing arrangement in compliance with the terms of this contract and Fiscal/Program requirements (see definitions for more information).
- ix. Termination and contract closeout language as applicable to include:
 - a. That termination of a subcontract shall not be grounds for a fair hearing for the service applicant or a grievance for the recipient if similar services are immediately available in the County
 - b. What actions the Subrecipient will take in the event of a termination of a subcontractor to ensure all prevention data on services provided have been entered into the Minerva
- x. How service recipients will be informed of their right to a grievance in the case of:
 - a. Denial or termination of service
 - b. Failure to act upon a request for services with reasonable promptness
- xi. Statement of work and/or identification of deliverables and plan for monitoring
- xii. Identification of data entry into Minerva, as applicable
- xiii. Authorization for Contractor to conduct an inspection of any and all subcontractor facilities where services are performed including for contract monitoring activities
 - a. Requirement that subcontractors will perform background checks on its employees and independent contractors used to perform the services
- xiv. FBO requirements if applicable
- xv. Insurance requirements
- xvi. Debarment and suspension certification
- xvii. Protection of confidential Information and restrictions on the providing and sharing of data
- xviii. Business Associate Agreement in compliance with the requirements of HIPAA
- xix. Federal compliance, certifications, and assurances as applicable
- xx. SAMHSA award terms as applicable, and
- xxi. Identifying unallowable uses of federal funds if applicable

9.2. Subcontract Monitoring

9.2.1. Contracts

The Contractor shall obtain prior approval before entering into any subcontracting arrangement.

In addition, the Contractor shall submit to the DBHR Contract Manager identified on page one (1) of this Contract at least one of the following for review within 30 business days of the intended start date of the subcontract:

- i. Copy of the proposed subcontract; or
- ii. Copy of the Contractor's standard contract template; or
- iii. Certify in writing that the subcontractor meets all requirements under the Contract and that the subcontract contains all required language under the Contract, including any data security, confidentiality and/or Business Associate language, as appropriate.

9.2.2. On-Site Monitoring

The Contractor shall:

- i. Conduct a subcontractor review which shall include at least one (1) on-site visit, annually, to each subcontractor site providing services to monitor fiscal and programmatic compliance with subcontract performance criteria for the purpose of documenting that the subcontractors are fulfilling the requirements of the subcontract unless otherwise specified. .
- ii. Submit written documentation of each on-site visit upon completion to Contract Manager or designee. A copy of the full report shall be kept on file by the Contractor.

9.2.3. Minerva Monitoring

The Contractor shall ensure that subcontractors have entered services funded under this Contract in Minerva.

- i. Ensure accurate and unduplicated reporting. Contractor may not require subcontractor to enter duplicate prevention service data that is entered into Minerva into an additional system.
- ii. Ensure proper training of staff and designated back-up staff for Minerva data entry to meet report due dates.

9.2.4. Additional Monitoring Activities

The Contractor shall maintain records of additional monitoring activities in the Contractor's subcontractor file and make them available to HCA upon request including any audit and any independent documentation.

9.2.5. Subcontractor Termination Requirements

When terminating a subcontract, the Contractor shall withhold the final payment of any subcontract until all required Minerva reporting is complete. This also applies to all subcontractor closures.

10. Remedial Action

10.1. Causes

HCA may initiate remedial action if HCA determines any of the following situations exists:

- i. A problem exists that negatively impacts individuals receiving services under this Contract;
- ii. The Contractor has failed to perform any of the requirements or services required under this Contract;

- iii. The Contractor has failed to develop, produce, and/or deliver to HCA any of the statements, reports, data, data corrections, accountings, claims, and/or documentation required under this Contracts;
- iv. The Contractor has failed to perform any administrative functions required under this Contract, where administrative function is defined as any obligation other than the actual provision of mental health services;
- v. The Contractor has failed to implement corrective action required by the state and within HCA prescribed timeframes.

11. Third-Party Beneficiaries

Although HCA and Contractor mutually recognize that services under this Contract may be provided by the Contractor to individuals receiving services under the Medicaid program, and chapters 71.05, 71.24, and 71.34 RCW, it is not the intention of either HCA or the Contractor that such individuals, or any other persons, occupy the position of intended third-party beneficiaries of the obligations assumed by either party to this Contract.

12. Disputes

12.1. Requesting a Dispute

Requests must be sent by certified mail of other method providing a signed receipt to the following address:

Office of Contracts and Procurements
Health Care Authority
PO Box 42702
Olympia, Washington 98504-2702

Requests must be received by Contract Services no later than twenty-eight (28) calendar days after this Contract expiration or termination.

Requests must identify in writing the spokesperson for the Contractor, if other than the Contractor's signatory.

12.2. Content of the dispute request:

The party requesting a dispute resolution shall submit a statement that:

- i. Identifies the issue(s) in dispute
- ii. Identifies the relative positions of the parties
- iii. Requests resolution through the current HCA process

12.3. Action on the request:

HCA shall notify the non-requesting party that the request has been made, notify both parties of the dispute resolution process to be followed, and manage the process to its conclusion.

The Contractor shall provide pertinent information as requested by the person assigned to resolve the dispute.

Contractor and HCA agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this Contract that are not affected by the dispute Insurance.

13. Insurance

The Contractor shall at all times comply with the following insurance requirements.

13.1. General Liability Insurance

The Contractor certifies by signing this Contract that either:

- i. The Contractor is self-insured or insured through a risk pool and shall pay for losses for which it is found liable; or
- ii. The Contractor maintains the types and amounts of insurance identified below and shall, if requested by HCA, provide certificates of insurance to that effect to the HCA Contract Manager:
 - a. The Contractor shall maintain Commercial General Liability Insurance, or Business Liability Insurance, including coverage for bodily injury, property damage, and contractual liability, with the following minimum limits: Each Occurrence - \$1,000,000; General Aggregate - \$2,000,000. The policy shall include liability arising out of premises, operations, independent contractors, products-completed operations, personal injury, advertising injury, and liability assumed under an insured contract. The State of Washington, Health Care Authority (HCA), and elected and appointed officials, and employees of the state, shall be named as additional insureds.
 - b. Professional Liability (PL) Insurance. The Contractor shall maintain PL Insurance or Errors & Omissions, with the following minimum limits: Each Occurrence - \$1,000,000; Aggregate - \$2,000,000.

13.2. Worker's Compensation

The Contractor shall comply with all applicable Worker's Compensation, occupational disease, and occupational health and safety laws and regulations. The State of Washington and HCA shall not be held responsible for claims filed for Worker's Compensation under Title 51 RCW by the Contractor or its employees under such laws and regulations.

13.3. Employees and Volunteers

Insurance required of the Contractor under the Contract shall include coverage for the acts and omissions of the Contractor's employees and volunteers. In addition, the Contractor shall ensure that all employees and volunteers who use vehicles to transport clients or deliver services have personal automobile insurance and current driver's licenses.

13.4. Subcontractors

The Contractor shall ensure that all subcontractors have and maintain insurance with the same types and limits of coverage as required of the Contractor under this Contract.

13.5. Separation of Insureds

All insurance policies shall include coverage for cross liability and contain a "Separation of Insureds" provision.

13.6. Insurers

Unless Contractor is self-insured or insured through a risk pool and shall pay for losses for which it is found liable, the Contractor shall obtain insurance from insurance companies identified as an

admitted insurer/carrier in the State of Washington, with a Best's Reports' rating of B++, Class VII, or better. Surplus Lines insurance companies will have a rating of A-, Class VII, or better.

13.7. Evidence of Coverage

The Contractor, upon request by HCA staff, submits a copy of the Certificate of Insurance or other evidence of self-insurance or insurance through a risk pool, policy, and additional insured endorsement for each coverage required of the Contractor under this Contract. The Certificate of Insurance shall identify the Washington State Health Care Authority (HCA) as the Certificate Holder. A duly authorized representative of each insurer, showing compliance with the insurance requirements specified in this Contract, shall execute each Certificate of Insurance. The Contractor is not required to submit to the HCA copies of Certificates of Insurance for personal automobile insurance required of the Contractor's employees and volunteers under the Contract.

The Contractor shall maintain copies of Certificates of Insurance for each subcontractor as evidence that each subcontractor maintains insurance as required by the Contract.

13.8. Material Changes

The insurer shall give HCA forty-five (45) business days advance written notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the insurer shall give HCA ten (10) business days advance written notice of cancellation.

13.9. General

By requiring insurance, the State of Washington and HCA do not represent that the coverage and limits specified will be adequate to protect the Contractor. Such coverage and limits shall not be construed to relieve the Contractor from liability in excess of the required coverage and limits and shall not limit the Contractor's liability under the indemnities and reimbursements granted to the State and HCA in this Contract. All insurance provided in compliance with this Contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the State.

14. Notices

Whenever one party is required to give notice to the other party under this Contract, it shall be deemed given if mailed by United States Postal Service, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

- i. In the case of notice to the Contractor, notice shall be sent to the point of contact identified on page one (1) of this Contract;
- ii. In the case of notice to HCA, notice shall be sent to:

Office of Contracts and Procurements
Washington State Health Care Authority
P. O. Box 42702
Olympia, Washington 98504-2702
Taxes, Fees and Licenses. Contracts@hca.wa.gov

Said notice shall become effective on the date delivered as evidenced by the return receipt or the date returned to sender for non-delivery other than for insufficient postage. Either party may at any time change its address for notification purposes by mailing a notice in accordance with this Section, stating the change and setting forth the new address, which shall be effective on the tenth (10th) day following the effective date of such notice unless a later day is specified in the notice.

15. Taxes, Fees and Licenses

15.1. Taxes

Where required by state statute or regulation, the Contractor shall pay for and maintain in current status and all taxes that are necessary for performance under this Contract. Unless otherwise indicated, HCA agrees to pay State of Washington sales or use taxes on all applicable consumer services and materials purchased. The Contractor shall not charge federal excise taxes and the HCA agrees to furnish the Contractor with an exemption certificate where appropriate.

In general, Contractors engaged in retail sales activities within the State of Washington are required to collect and remit sales tax to the Department of Revenue (DOR). In general, out-of-state Contractors must collect and remit "use tax" to DOR if the activity carried on by the seller in the State of Washington is significantly associated with the Contractor's ability to establish or maintain a market for its products in Washington State. Examples of such activity include where the Contractor either directly or by an agent or representative:

- i. Maintains an in-state office, distribution house, sales house, warehouse, service enterprise, or any other in-state place of business;
- ii. Maintains an in-state inventory or stock of goods for sale;
- iii. Regularly solicits orders from purchasers located within the State of Washington via sales representatives entering the State of Washington;
- iv. Sends other staff into the State of Washington (e.g. product safety engineers, etc.) to interact with purchasers in an attempt to establish or maintain market(s); or
- v. Other factors identified in Chapter 458-20 WAC.

15.2. Fees/Licenses

Contractor shall pay for and maintain in a current status, any license fees, assessments, permit changes, etc., which are necessary for contract performance. It is the Contractor's sole responsibility to monitor and determine any changes of the enactment of any subsequent regulations for said fees, assessments or charges and to immediately comply with said changes or regulations during the entire term of this Contract.

16. Access to Data

In compliance with RCW 39.26.180 (2) and federal rules, the Contractor must provide access to any data generated under this Contract to HCA, the Joint Legislative Audit and Review Committee, the State Auditor, and any other state or federal officials so authorized by law, rule, regulation, or agreement at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the Contractor's reports, including computer models and methodology for those models.

17. Amendment

This Contract may be amended by mutual agreement of the parties. Such amendments will not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

18. Antitrust Assignment

The Contractor hereby assigns to the State of Washington any and all of its claims for price fixing or overcharges which arise under the antitrust laws of the United States, or the antitrust laws of the State of Washington, relating to the goods, products or services obtained under this Contract.

19. Assignment

Contractor may not assign or transfer all or any portion of this Contract or any of its rights hereunder, or delegate any of its duties hereunder, except delegations as set forth in Section 9: *Subcontracting*, without the

prior written consent of HCA. Any permitted assignment will not operate to relieve Contractor of any of its duties and obligations hereunder, nor will such assignment affect any remedies available to HCA that may arise from any breach of the provisions of this Contract or warranties made herein, including but not limited to, rights of setoff. Any attempted assignment, transfer or delegation in contravention of this Subsection of the Contract will be null and void. HCA may assign this Contract to any public agency, commission, board, or the like, within the political boundaries of the State of Washington, with written notice of thirty (30) calendar days to Contractor.

This Contract will inure to the benefit of and be binding on the parties hereto and their permitted successors and assigns.

20. Assurances

The Authority and the Contractor agree that all activity pursuant to this Contract will be in accordance with all applicable federal, state and local laws, rules, and regulations.

21. Attorney's Fees

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorneys' fees and costs.

22. Billing Limitations

The HCA shall pay the Contractor only for authorized services provided in accordance with this Contract.

The HCA shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were performed. The authority within the special terms and conditions of this contract may reduce length of time following the provision of services in which the contractor may submit claims for payment.

23. Change in Status

In the event of substantive change in the legal status, organization structure, or fiscal reporting responsibility of the Contractor, the Contractor agrees to notify the Office of Contracts and Procurement (OCP) of the change. The Contractor shall provide notice as soon as practicable, but no later than thirty (30) calendar days after such a change takes effect.

24. Compliance with Applicable Law

At all times during the term of this Contract, the Contractor shall comply with all applicable federal, state, and local laws and regulations, including but not limited to, nondiscrimination laws and regulations.

25. Conflict of Interest

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the HCA may, in its sole discretion, by written notice to the Contractor terminate this Contract if it is found after due notice and examination by the Agent that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the Contractor in the procurement of, or services under this Contract.

In the event this Contract is terminated as provided above, the HCA shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of this Contract by the Contractor. The rights and remedies of the HCA provided for in this Section shall not be exclusive and are in addition to any other rights and remedies provided by the law. The existence of facts upon which the Agent makes any determination under this Section shall be an issue and may be reviewed as provided in the "Disputes" Section of this Contract.

26. Conformance

If any provision of this Contract violates any statute or rule of law of the State of Washington, it is considered modified to conform to that statute or rule of law.

27. Contractor Certification Regarding Ethics

The Contractor certifies that the Contractor is now, and shall remain, in compliance under Chapter 42.52 RCW, Ethics in Public Service, throughout the term of this Contract.

28. Covenant Against Contingent Fees

The Contractor warrants that no person or selling agent has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Contractor for the purpose of securing business. The HCA shall have the right, in the event of breach of this clause by the Contractor, to annul this Contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

29. Debarment Certifications

The Contractor, by signature to this Contract, certifies that the Contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from participating in transactions (Debarred). The Contractor also agrees to include the above requirement in any and all Subcontracts into which it enters. The Contractor shall immediately notify the HCA Contact designated on the cover page of this Contract if, during the term of this Contract, the Contractor becomes debarred. HCA may immediately terminate this Contract by providing Contractor written notice if Contractor becomes Debarred during the term of this Contract.

30. Force Majeure

If the Contractor is prevented from performing any of its obligations hereunder in whole or in part as a result of a major epidemic, act of God, war, terrorist acts, civil disturbance, court order, or any other cause beyond its control, such nonperformance shall not be grounds for termination for default. Immediately upon the occurrence of any such event, the Contractor shall commence to use its best efforts to provide, directly or indirectly, alternate and, to the extent practicable, comparable performance. Nothing in this Section shall be construed to prevent HCA from terminating this Contract for reasons other than for default during the period of event set forth above, or for default, if such default occurred prior to such event.

31. Fraud and Abuse Requirements

The Contractor shall report in writing all verified cases of fraud and abuse, including fraud and abuse by the Contractor's employees and/or subcontractors, within five (5) business days, to the HCA Contact designated on page one of this Contract. The report shall include the following information:

- i. Subject(s) of complaint by name and either provider/subcontractor type or employee position;
- ii. Source of complaint by name and provider/subcontractor type or employee position;
- iii. Nature of complaint;
- iv. Estimate of the amount of funds involved; and
- v. Legal and administrative disposition of case.

32. Governing Law and Venue

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington and the venue of any action brought hereunder shall be in Superior Court for Thurston County.

33. Health and Safety

Contractor shall perform any and all of its obligations under this Contract in a manner that does not compromise the health and safety of any HCA client with whom the Contractor has contact.

34. Hold Harmless and Indemnification

- i. The Contractor shall be responsible for and shall indemnify, defend, and hold HCA harmless from all claims, loss, liability, damages, or fines arising out of or relating to:
 - a. The Contractor's or any Subcontractor's performance or failure to perform this Contract, or
 - b. The acts or omissions of the Contractor or any Subcontractor;
- ii. The Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend, and hold harmless the State and its agencies, officials, agents, or employees.
- iii. Nothing in this Section shall be construed as a modification or limitation on the Contractor's obligation to procure insurance in accordance with this Contract or the scope of said insurance.

35. Independent Contractor

The parties intend that an independent contractor relationship will be created by this Contract. The Contractor and his or her employees or agents performing under this Contract are not employees or agents of the Authority. The Contractor, his or her employees, or agents performing under this Contract will not hold himself/herself out as, nor claim to be, an officer or employee of the Authority by reason hereof, nor will the Contractor, his or her employees, or agent make any claim of right, privilege or benefit that would accrue to such officer or employee.

All payments accrued on account of payroll taxes, unemployment contributions, and other taxes, insurance or other expenses for the Contractor or its staff shall be the sole responsibility of the Contractor.

36. Industrial Insurance Coverage

The Contractor shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may be required by law, HCA may collect from the Contractor the full amount payable to the Industrial Insurance accident fund. HCA may deduct the amount owed by the Contractor to the accident fund from the amount payable to the Contractor by HCA under this Contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the Contractor.

37. Inspection

The Contractor shall, at no cost, provide HCA, or any of its officers, or to any other authorized agent or officer of the state of Washington or the federal government, and the Office of the State Auditor with reasonable access to Contractor's place of business, Contractor's records, and HCA client records, wherever located. These inspection rights are intended to allow HCA and the Office of the State Auditor to monitor, audit, and evaluate the Contractor's performance and compliance with applicable laws, regulations, and these Contract terms. These inspection rights shall survive for six (6) years following this Contract's termination or expiration.

38. Limitation of Authority

Only the Agent or Agent's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Contract. Furthermore, any alteration, amendment, modification, or waiver of any Section or condition of this Contract is not effective or binding unless made in writing and signed by the Agent or Agent's delegate.

39. Maintenance of Records

The Contractor shall maintain records relating to this Contract and the performance of the services described herein. The records include, but are not limited to, accounting procedures and practices, which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. All records and other material relevant to this Contract shall be retained for six (6) years after expiration or termination of this Contract.

Without agreeing that litigation or claims are legally authorized, if any litigation, claim, or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

40. Pay Equity

- i. Contractor represents and warrants that, as required by Washington state law (Engrossed House Bill 1109, Sec. 211), during the term of this Contract, it agrees to equality among its workers by ensuring similarly employed individuals are compensated as equals. For purposes of this provision, employees are similarly employed if (i) the individuals work for Contractor, (ii) the performance of the job requires comparable skill, effort, and responsibility, and (iii) the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed.
- ii. Contractor may allow differentials in compensation for its workers based in good faith on any of the following: (i) a seniority system; (ii) a merit system; (iii) a system that measures earnings by quantity or quality of production; (iv) bona fide job-related factor(s); or (v) a bona fide regional difference in compensation levels.
- iii. Bona fide job-related factor(s)" may include, but not be limited to, education, training, or experience, that is: (i) consistent with business necessity; (ii) not based on or derived from a gender-based differential; and (iii) accounts for the entire differential.
- iv. A "bona fide regional difference in compensation level" must be (i) consistent with business necessity; (ii) not based on or derived from a gender-based differential; and (iii) account for the entire differential.
- v. Notwithstanding any provision to the contrary, upon breach of warranty and Contractor's failure to provide satisfactory evidence of compliance within thirty (30) calendar days of HCA's request for such evidence, HCA may suspend or terminate this Contract.

41. Publicity

The award of this Contract to Contractor is not in any way an endorsement of Contractor or Contractor's Services by HCA and must not be so construed by Contractor in any advertising or other publicity materials.

Contractor agrees to submit to HCA, all advertising, sales promotion, and other publicity materials relating to this Contract or any Service furnished by Contractor in which HCA's name is mentioned, language is used, or Internet links are provided from which the connection of HCA's name with Contractor's Services may, in HCA's judgment, be inferred or implied. Contractor further agrees not to publish or use such advertising,

marketing, sales promotion materials, publicity or the like through print, voice, the Web, and other communication media in existence or hereinafter developed without the express written consent of HCA prior to such use.

42. Records and Documents Review

- i. The Contractor must maintain books, records, documents, magnetic media, receipts, invoices or other evidence relating to this Contract and the performance of the services rendered, along with accounting procedures and practices, all of which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. At no additional cost, these records, including materials generated under this Contract, are subject at all reasonable times to inspection, review, or audit by HCA, the Office of the State Auditor, and state and federal officials so authorized by law, rule, regulation, or agreement [See 42 USC 1396a(a)(27)(B); 42 USC 1396a(a)(37)(B); 42 USC 1396a(a)(42)(A); 42 CFR 431, Subpart Q; and 42 CFR 447.202].
- ii. The Contractor must retain such records for a period of six (6) years after the date of final payment under this Contract.
- iii. If any litigation, claim or audit is started before the expiration of the six (6) year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved.

43. Registration with the State of Washington

The Contractor shall be responsible for registering with Washington State agencies, including but not limited to, the Washington State Department of Revenue, the Washington Secretary of State's Corporations Division, and the Washington State Office of Financial Management, Division of Information Services' Statewide Vendors program.

44. Remedies Non-Exclusive

The remedies provided in this Contract are not exclusive, but are in addition to all other remedies available under law.

45. Rights in Data/Ownership

HCA and Contractor agree that all data and work products (collectively "Work Product") produced pursuant to this Contract will be considered a *work for hire* under the U.S. Copyright Act, 17 U.S.C. §101 *et seq*, and will be owned by HCA. Contractor is hereby commissioned to create the Work Product. Work Product includes, but is not limited to, discoveries, formulae, ideas, improvements, inventions, methods, models, processes, techniques, findings, conclusions, recommendations, reports, designs, plans, diagrams, drawings, Software, databases, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions, to the extent provided by law. Ownership includes the right to copyright, patent, register and the ability to transfer these rights and all information used to formulate such Work Product.

If for any reason the Work Product would not be considered a *work for hire* under applicable law, but was otherwise produced pursuant to this Contract, Contractor assigns and transfers to HCA, the entire right, title and interest in and to all rights in the Work Product and any registrations and copyright applications relating thereto and any renewals and extensions thereof.

Contractor will execute all documents and perform such other proper acts as HCA may deem necessary to secure for HCA the rights pursuant to this section.

Contractor will not use or in any manner disseminate any Work Product to any third party, or represent in any way Contractor ownership of any Work Product, without the prior written permission of HCA. Contractor will take all reasonable steps necessary to ensure that its agents, employees, or Subcontractors will not copy or disclose, transmit or perform any Work Product or any portion thereof, in any form, to any third party.

Material that is delivered under this Contract, but that does not originate therefrom ("Preexisting Material"), must be transferred to HCA with a nonexclusive, royalty-free, irrevocable license to publish, translate, reproduce, deliver, perform, display, and dispose of such Preexisting Material, and to authorize others to do so. Contractor agrees to obtain, at its own expense, express written consent of the copyright holder for the inclusion of Preexisting Material. HCA will have the right to modify or remove any restrictive markings placed upon the Preexisting Material by Contractor.

Contractor must identify all Preexisting Material when it is delivered under this Contract and must advise HCA of any and all known or potential infringements of publicity, privacy or of intellectual property affecting any Preexisting Material at the time of delivery of such Preexisting Material. Contractor must provide HCA with prompt written notice of each notice or claim of copyright infringement or infringement of other intellectual property right worldwide received by Contractor with respect to any Preexisting Material delivered under this Contract.

46. Severability

If any term or condition of this Contract is held invalid by any court, the remainder of this Contract remains valid and in full force and effect.

47. Site Security

While on HCA premises, Contractor, its agents, employees, or Subcontractors must conform in all respects with physical, fire or other security policies or regulations. Failure to comply with these regulations may be grounds for revoking or suspending security access to these facilities. HCA reserves the right and authority to immediately revoke security access to Contractor staff for any real or threatened breach of this provision. Upon reassignment or termination of any Contractor staff, Contractor agrees to promptly notify HCA.

48. Survivability

The terms and conditions contained in this Contract which, by their sense and context, are intended to survive the expiration or termination of this particular agreement shall survive. Surviving terms include, but are not limited to: Billing Limitations; Confidentiality, Disputes; Indemnification and Hold Harmless, Inspection, Maintenance of Records, Notice of Overpayment, Ownership of Material, Termination for Default, Termination Procedure, and Treatment of Property.

49. System Security

Unless otherwise provided, the Contractor agrees not to attach any Contractor-supplied computers, peripherals or software to the Authority Network without prior written authorization from Authority's Security Administrator. Contractor-supplied computer equipment, including both hardware and software, must be reviewed by the Authority's Security Administrator prior to being connected to any Authority network connection and that it must have up-to-date anti-virus software and personal firewall software installed and activated on it.

Unauthorized access to Authority networks and systems is a violation of Authority Policy 06-03 and constitutes computer trespass in the first degree pursuant to RCW 9A.52.110. Violation of any of these laws or policies could result in termination of this Contract and other penalties.

50. Termination for Convenience

Except as otherwise provided in this Contract, the Agent, or designee, may, by giving thirty (30) calendar days written notice, beginning on the second day after the mailing, terminate this Contract in whole or in part when it is in the best interest of the Authority. If this Contract is so terminated, the Authority shall be liable only for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination.

51. Termination for Default

In the event the Authority determines the Contractor has failed to comply with the terms and conditions of this Contract, the Authority has the right to suspend or terminate this Contract. The Authority shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within ten (10) business days, this Contract may be terminated. The Authority reserves the right to suspend all or part of this Contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by the Authority to terminate this Contract.

In the event of termination, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising, and staff time. The termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor:

- i. Was not in default, or
- ii. Failure to perform was outside of his or her control, fault or negligence.

52. Termination Due to Change in Funding

HCA's ability to make payments is contingent on funding availability. In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to completion or expiration date of this Contract, HCA, at its sole discretion, and with fifteen (15) Calendar Days' notice, may elect to terminate the Contract, in whole or part, or to renegotiate the Contract subject to new funding limitations and conditions. HCA may also elect to suspend performance of the Agreement until HCA determines the funding insufficiency is resolved. HCA may exercise any of these options

53. Termination or Expiration Procedures

The following terms and conditions apply upon Contract termination or expiration:

- i. The Authority, in addition to any other rights provided in this Contract, may require the Contractor to deliver to the Authority any property specifically produced or acquired for the performance of such part of this Contract as has been terminated.
- ii. The Authority shall pay to the Contractor the agreed upon price, if separately stated, for completed work and service accepted by the Authority's program staff and the amount agreed upon by the Contractor and the Authority for:
 - a. Completed work and services for which no separate price is stated;
 - b. Partially completed work and services;
 - c. Other property or services which are accepted by the Authority's program staff; and

- d. The protection and preservation of property unless the termination is for default, in which case the Agent or designee shall determine the extent of the liability. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" Section of the Contract. The Authority may withhold from any amounts due the Contractor such sum as the Agent or designee determines to be necessary to protect the Authority against potential loss or liability.
- iii. The rights and remedies of the Authority provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- iv. After receipt of notice of termination, and except as otherwise directed by the Agent or designee, the Contractor shall:
 - a. Stop work under this Contract on the date, and to the extent specified in the notice;
 - b. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under this Contract that is not terminated;
 - c. Assign to the Authority, in the manner, at the times, and to the extent directed by the Agent or designee, all the rights, title, and interest of the Contractor under the orders and subcontracts so terminated; in which case the Authority has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
 - d. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Agent or designee to the extent the Agent or designee may require, which approval or ratification shall be final for all the purposes of this Section;
 - e. Transfer title to the Authority and deliver in the manner, at the times, and to the extent directed by the Agent or designee any property which, if this Contract has been completed, would have been required to be furnished to the Authority;
 - f. Complete performance of such part of the work as shall not have been terminated by the Agent or designee; and
 - g. Take such action as may be necessary, or as the Agent or designee may direct, for the protection and preservation of the property related to this Contract which is in the possession of the Contractor and in which the Authority has or may acquire an interest.

53.1. Contract Closeout

Upon termination or lapse of this Contract in whole or in part for any reason including completion of the project, the following provisions may apply:

- i. Upon written request by the Contractor, HCA may make or arrange for payments to the Contractor of allowable reimbursable costs not covered by previous payments.
- ii. Disposition of program assets (including the return and/or transfer of all unused materials, equipment, unspent cash advances, and program income balances) to include creating an inventory list of all property purchased or furnished by HCA for use by the Contractor during performance of this Contract.
- iii. The Contractor shall submit within thirty (30) calendar days after the date of expiration of this Contract, all financial, performance and other reports required by this Contract, and in addition, will cooperate in a program audit by HCA or its designee as requested; and

- iv. Closeout of funds will not occur unless all requirements of the Contract's associated state and federal funds are met and all outstanding issues with the Contractor have been resolved to the satisfaction of HCA.

The Contractor's obligation to HCA shall not end until all closeout requirements are completed. Notwithstanding the foregoing, the terms of this Contract shall remain in effect during any period that the Contractor has control of the Contract's associated state and federal funds, including program income.

54. Treatment of Property

All property purchased or furnished by HCA for use by the Contractor during this Contract term shall remain with HCA or transferred by request of HCA. Title to all property purchased or furnished by the Contractor for which the Contractor is entitled to reimbursement by HCA under this Contract shall pass to and vest in HCA upon termination or lapse of this Contract unless otherwise specified by HCA. The Contractor shall protect, maintain, and insure all HCA property in its possession against loss or damage and shall return HCA property to HCA upon Contract termination or expiration unless otherwise specified by HCA.

55. Waiver

Waiver of any breach or default on any occasion shall not be deemed to be a waiver of any subsequent breach or default. Any waiver shall not be construed to be a modification of the terms and conditions of this Contract. Only the HCA Contracts Administrator or designee has the authority to waive any term or condition of this Contract on behalf of HCA.

56. Order of Precedence

- i. The federal statute authorizing the grant program and any other federal statutes directly affecting performance of the award including the Federal Funding Accountability and Transparency Act (FFATA), as applicable)
- ii. Program regulations
- iii. National policy requirements
- iv. Administrative regulations, cost principles and audit requirements, i.e. agency implementation of the 2 Code of Federal Regulations (CFR) 200
- v. Applicable state laws not in conflict with any applicable federal laws
- vi. This Contract

ATTACHMENT 1 - Statement of Work

The Contractor shall ensure services, and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below. Prevention programs and services include, but are not limited to:

1. Coordination of Prevention Services.

The Contractor shall ensure:

- i. The provision of CPWI services in accordance with the CPWI Community Coalition Guide located on the Athena Forum website <https://www.theathenaforum.org/cpwi-community-coalition-guide> which outlines the minimal standards to participate in the CPWI. Contractor shall plan to reach the ideal benchmarks related to the community coalition's efforts and staffing to include:
 - a. Hire or identify a minimum of one part-time (0.5 FTE) staff member to serve as the qualified Community Coalition Coordinator upon contract execution. Full-time employment (1.0 FTE) for the Community Coalition Coordinator is allowable and strongly recommended in order to meet the scope of the project.
 - I. Ensure Community Coalition Coordinator(s) meet required position qualifications and workstation requirements found in the CPWI Community Coalition Guide.
 - II. Confirm an office space in the designated community for the Community Coalition Coordinator.
 - III. Contractor shall submit a completed Community Coalition Coordinator Qualification Checklist to Contract Manager or designee for review. HCA shall review and respond within five (5) business days.
 - b. Ensure Community Coalition Coordinators are Certified Prevention Professionals (CPP).
 - I. Ensure currently certified Community Coalition Coordinator(s) maintain CPP credential status, and
 - II. Ensure Certified Prevention Professional (CPP) certification within eighteen (18) months of new Community Coalition Coordinator start date.
 - III. HCA reserves the right to require Contractor to develop a Community Coalition Coordinator training plan if candidate does not meet required qualifications.
- ii. Contractor contact on page one of this Contract and primary fiscal staff or their designee(s) shall attend an annual contractor training or meeting that will be scheduled for four (4) hours in duration. Date and location will be announced by DBHR at least thirty (30) business days prior to the training.
- iii. Contractor shall ensure that a regular annual schedule of direct prevention services for public dissemination is established.
 - a. Regular annual schedule shall take into account items including, but not limited to: implementation times that maximize participation and service outcomes; local needs and gaps; leveraged resources; and, other locally identified factors that influence service delivery throughout the year.
 - b. Regular annual schedule and community dissemination plan shall be identified as part of the CPWI Action Plan and Budget Update and submitted to Contract Manager or designee for HCA review annually in accordance with the timeline in the CPWI Community Coalition Guide.
 - I. Submit an annual Action Plan and Budget with projected expenditures, including salary and benefits for HCA funded prevention staff, program costs, training and travel to the

Contract Manager or designee, according to the CPWI Community Coalition Guide or within thirty (30) business days upon request. A template will be provided at least thirty (30) business days prior to due date, unless otherwise specified. For Cohorts 1 – 4 an updated Action Plan and Budget is due by June 15, 2020 and June 15, 2021. For Cohort 5 and 6, an updated Action Plan and Budget are due August 1, 2020 and August 15, 2021, 2022, and 2023 unless otherwise specified.

- II. Budget adjustments that are ten percent (10%) or more of the total of the approved Contractor and/or CPWI coalition budget shall submit a budget revision for approval to Contract Manager or designee at least fifteen (15) business days prior to expending adjusted budget items. Approval must be granted prior to expending funds.
- III. Enter approved programs, based on the priorities, goals and objectives described in the approved Strategic Plan, into the Minerva within thirty (30) business days of Action Plan approval or as directed by PSM.
- IV. Ensure sixty percent (60%) of programs supported by HCA funds will be replications or approved adaptations of “Evidence-based Practice” substance abuse prevention programs as identified in the list provided by DBHR. Ensure that all of the programs supported by HCA meet the Center for Substance Abuse Prevention’s (CSAP) Principles of Substance Abuse Prevention, found on the Athena Forum Website:
www.TheAthenaForum.org/CSAPprinciples.
 1. For cohorts who receive DMA funds, and for cohorts 5 and 6, use the associated EBP list at <https://www.theathenaforum.org/cpwi-cohort-6-program-and-strategies-guidance-for-further-directives-on-supported-programs-by-fund-source>.
 2. For cohorts 5 and 6, coalitions are also required to implement the Starts with One opioid prevention campaign and participate in the National Drug Take Back Days in October and April, according to the Drug Enforcement Agency (DEA) guidelines, recommendations, and regulations.
https://www.deadiversion.usdoj.gov/drug_disposal/takeback/poc.htm.
- V. Food costs are generally unallowable during program implementation except within the following parameters:
 1. Light refreshment costs for training events and meetings lasting longer than two (2) hours in duration are allowable.
 2. Ensure that light refreshment costs do not exceed \$3.00 per person.
 3. Meals may be provided for participants using SABG and DMA funds only if:
 - a. The training is four (4) hours or more in duration; or
 - b. The program is a recurring, direct service in the family domain, lasting two (2) hours or more in duration and must be approved in the strategic plan.
 4. Meals are not allowable costs with either the PFS or SOR funds.
 5. Contractor shall adhere to current state per-diem rates for meals accessible at www.ofm.wa.gov/policy/10.90.htm.
 6. No more than a total of \$1,000 may be spent on food or light refreshments per CPWI Coalition per year.

- VI. Dedicated Marijuana Account Funds (DMA) shall be used for program and strategy training and implementation.
 1. All programs planned and implemented with DMA shall be programs selected from the current DBHR provided youth marijuana use prevention and reduction program list located at <https://www.theathenaforum.org/EBP>.
 - a. No less than eighty-five percent (85%) of DMA funds shall be expended on evidence-based or research-based programs on the identified program list.
 - i. At the end of each SFY, Contractor must ensure this requirement is met.
 - b. Up to fifteen percent (15%) of DMA funds may be expended on Promising programs on the identified program list.
 - i. At the end of each SFY, Contractor must ensure this requirement is met.
- VII. Contractor is encouraged to collaborate and partner with community-based organizations that operate within or serve the CPWI community.
- VIII. If funding permits the Contractor to provide Community Based Coordination services in addition to meeting CPWI requirements, (i.e., Counties with communities that each have at least \$130,000 per community of DBHR funding budgeted for CPWI implementation, annually) services may be provided at the County or regional level. Services shall reflect work of the Contractor staff coordinating, organizing, building capacity, and providing education and information related to prevention initiatives at the County level with a goal to expand CPWI communities.
 1. If applicable to Contractor, develop plan for services listed above and submit to Contract Manager or designee for review and approval within sixty (60) business days of expected implementation.

2. Prevention Training

- i. The Contractor shall participate in all required training events identified by HCA and listed in the CPWI Community Coalition Guide.
- ii. Non-Required Training in CPWI
 - a. In the absence of trainings identified in the approved strategic plan, all additional (non-required) training paid for by HCA shall be approved by Contract Manager or designee prior to training and meet the approved goals and objectives in approved Strategic Plan.
 - b. The Contractor shall ensure any requests for training in addition to the approved training in the Strategic plan are requested in writing and sent directly to the Contract Manager or designee, a minimum of ten (10) business days before the date of the proposed training. Trainings shall relate to one (1) of the following four (4) categories:
 - I. Coalition building and community organization.
 - II. Capacity building regarding prevention theory and practice.

- III. Capacity building for Evidence-based Practice and environmental strategy implementation, related to the goals and objectives of the coalition's approved strategic plan.
 - IV. Capacity building in non-CPWI communities to expand CPWI efforts and meets overall goals and objectives of CPWI may be approved by Contract Manager or designee upon request.
- c. The Contractor shall ensure training paid for by HCA that requires travel follows state travel reimbursement guidelines and rates accessible at www.ofm.wa.gov/policy/10.90.htm.
 - d. The Contractor shall bill for training events on an A-19 per billing code according to the Program/Fiscal Requirements and record training events in the HCA Substance Use Disorder Prevention and Mental Health Promotion Online Reporting Systems or Minerva in accordance with the monthly reporting requirements described in Section 3 c., Prevention Report Schedule/Due Dates.

3. Media Materials

- i. HCA must be cited as the funding source in news releases, publications, and advertising messages created with or about HCA funding. The funding source shall be cited as: Washington State Health Care Authority. The HCA logo may also be used in place of the above citation.
- ii. Media materials and publications developed with HCA funds, including messaging specifically directed to youth, shall be submitted to the Contract Manager or designee for approval prior to publication (HCA will respond within five (5) business days).
 - a. Exceptions: The Contractor does not need to submit the following items to Contract Manager or designee:
 - i. Newsletters and fact sheets.
 - ii. News coverage resulting from interviews with reporters. This includes online news coverage.
 - iii. Newspaper editorials or letters to the editor.
 - iv. Posts on Facebook, YouTube, Tumblr, Twitter, Instagram, Snapchat and other social media sites.
 - v. When a statewide media message is developed by HCA, is localized, and if the only change is the local coalition information and funding source acknowledgment from coalition or public health entities.
 - vi. When a national prevention media campaign is developed by SAMHSA, is localized, and if the only change is the local coalition information and funding source acknowledgement from coalition or public health entities.

4. Secure Prescription Take-Back and Lock Box project.

Contractors who implement a Secure Prescription Take-Back and/or Lock Box project must ensure the following additional requirements:

- i. The Secure Prescription Take-Back and/or Lock Box project must align with the community needs assessment and will increase local capacity to address prescription drug misuse and abuse by reducing social availability of prescriptions in the community.

- ii. The Contractor shall provide the services and staff, and otherwise do all things necessary for or incidental to the Secure Prescription Take-Back and/or Lock Box project as set forth below:
 - a. Enhance community capacity to practice safe disposal of medications by promoting permanent secure drop box in the location where community readiness has been established. (Installation and disposal must follow all DEA rules and all federal and state laws and regulations).
 - b. Collaborate with community partners to maintain and/or enhance policies and procedures necessary to maintain a permanent secure medicine take-back drop box.
 - c. Overtime wages for law enforcement officers and staff as outlined in strategic plan and outside of normal duties and other real costs (including mileage reimbursement) associated with transporting and properly disposing of collected medicines at EPA approved locations may be permitted depending upon source of funds and must be approved by the Contract Manager in advance.
 - d. Create, utilize and disseminate public education information materials to increase awareness of the secure medicine take-back project, local treatment resources, naloxone information and medical response (Good Samaritan law) cards.
 - e. Disseminate public information including information on local treatment resources, naloxone information and medical response cards and posters. (Print ready materials are available online at www.stopoverdose.org).
 - f. Utilize publications already available through HCA/DBHR and other websites. (i.e., SAMHSA Opioid Overdose Toolkit, and downloadable/printable materials on www.stopoverdose.org and www.takebackyourmeds.org).
 - g. Submit locally-developed educational and informational materials to HCA/DBHR for approval at least ten (10) business days prior to publication.
 - h. Prior to purchasing home medication lock boxes or bags the Contractor will submit to HCA/DBHR in writing a plan for the purchase and distribution of home medication storage device including the cost and source of the home storage devices, the number of devices to be purchased, a clear plan for distribution, and method for tracking the use of the devices. The Contractor must also demonstrate how the distributed home medication devices will be altered (by engraving, indelible ink, or other means) to have no cash value.
 - i. Contractor is required to maintain records of pre and post surveys for lock box distribution and record in Minerva upon request from HCA/DBHR.

5. Reporting Requirements.

i. Prevention Reporting Requirements

The Contractor shall report on all requirements as identified in the HCA Substance Use Disorder Prevention and Mental Health Promotion Online Reporting System or Minerva. HCA reserves the right to add reporting requirements based on requirements of grants.

ii. Prevention Activity Data Reports

The Contractor shall:

- a. Ensure that monthly prevention activities are reported in the HCA Minerva in accordance with the requirements and timelines set forth.

- b. Ensure accurate and unduplicated reporting.
- c. Ensure proper training of staff and designated staff for back-up Minerva data entry to meet report due dates.
- d. If special circumstances arise and Contractor is unable to enter the data by the reporting deadline(s), the Contractor shall ensure any requests for extensions to reporting deadlines are requested in writing and sent directly to the PSM via email five (5) business days before the report due date.
- e. The maximum extension request permitted is ten (10) business days.
- f. Monthly invoices submitted with active data entry extensions will be denied and may be re-submitted by Contractor once data for the month(s) in question is complete.
- g. Contractors with three (3) or more consecutive months of data entry extensions or late reporting or four (4) or more program data entry extensions or late reporting within a six (6) month period shall be required to submit a Corrective Action Plan to HCA.
 - I. Extensions granted due to Minerva technical issues will be excluded from this count.
- h. Ensure all required demographic information is provided for individual participant; population reach; aggregate; environmental and mentoring or 1-to-1 services in Minerva.
- i. Report Community Coalition Coordination Staff Hours in Minerva for each month of the calendar year.
- j. Complete prevention reporting, according to the Schedule/Due Dates below:

| Reporting Period | Report(s) | Report Due Dates | Reporting System |
|------------------|---|---|------------------------|
| Annually | Enter programs listed on approved Strategic Action Plan by HCA into Minerva. | Within 30 business days of Strategic Action Plan approval | Minerva |
| As requested | GPRA Measures. | As requested | Minerva |
| Monthly | Prevention activity data input for all active services including community coalition coordination staff hours and efforts, services, participant information, training, evaluation tools and assessments. | 15 th of each month for activities from the previous month | Minerva |
| Quarterly | CPWI Quarterly Reporting. | October 15, January 15, April 15, July 15 | Minerva |
| As requested | As required by SAMHSA. | As requested | Minerva or as required |

iii. Outcome Measures

- a. The Contractor shall report on all required evaluation tools identified in Minerva that measure primary program objective.

- I. Pre/Post test are required for all recurring direct service programs.
 - II. The Coalition Assessment Tool is required to be completed by coalition members.
 - III. Specific surveys for Information Dissemination or Environmental strategies/programs based on specific program to be determined and approved in Action Plan.
- b. Special situations and exceptions regarding evaluation tools identified in the Minerva include, but are not limited to, the following:
- I. The Contractor may negotiate with the Contract Manager or designee to reduce multiple administrations of surveys to individual participants.
 - II. Participants in recurring program groups in which the majority of participants are younger than ten (10) years old on the date of that group's first service.
- iv. Performance Work Statement/Evaluation.
- a. The Contractor shall ensure program results show positive outcomes for at least half of the participants in each program group as determined by Activity Log with individual participant sessions.
 - I. "Positive outcomes" means that at least half of the participants in a group report positive improvement or maintenance as determined by the program measurable objective between pre and post-tests.
 - II. Positive outcomes will be determined using the pre-test and post-test data reported in Minerva.
 - III. Evaluation of Minerva data will occur on the 15th of the month following the final date of service for each group.
 - b. HCA shall use the following protocol for evaluation:
 - I. Matched pre-test and post-test pairs will be used in the analysis.
 - II. To allow for normal attendance drop-off, a 20% leeway will be given for missing post-tests.
 - III. If there are missing post-tests for entered pre-tests in excess of 20% of pre-tests, missing post-test will be counted as a negative outcome.

Example: there are ten (10) pre-tests and seven (7) post-tests. The denominator would be eight (8) and the maximum numerator would be seven (7).
 - c. Different groups, as determined by Activity Logs, receiving the same program will be clustered by school district.
 - I. In cases where multiple providers are serving the same school district, groups will be clustered by school district and provider.
 - II. The results of one (1) provider in a given school district will not impact another provider in the same district.
 1. In cases where the survey instrument selected for a given program includes more than one scale, the scale that is most closely aligned with the measurable objective linked to the program in Minerva will be used.

2. Results for groups, as determined by Activity Logs, with services that span two (2) contracting periods will be analyzed in the contracting period that the post-test was administered.
- III. If fewer than half of the participants in a group, as determined by Activity Log, within a given school district, report positive change in the intended outcome:
1. The Contractor shall submit a Performance Improvement Plan (PIP) for the non-compliant program to the Contract Manager or designee or designee within forty-five (45) calendar days of notice by HCA.
 2. Reimbursement for the CSAP Category row on the A-19 for that program will be held until the PIP is approved by the Contractor Manager or designee or their designee.
 3. If a second group, as determined by Activity Log, within that same school district has fewer than half of the participants report positive change in the intended outcome, then the following steps will be taken:
 - a. In cases where there is no active non-compliant program, the Contractor shall discontinue implementation of that program within the specified geography.
 - b. In cases where the same programs as the non-compliant program are active and continuing in the same school district, those groups, as determined by Activity Logs, will be allowed to complete the expected number of sessions. No new groups, as determined by Activity Logs, will be started.
 - c. Following the conclusion of all groups, as determined by Activity Logs, completing the program, results will be reviewed for those groups.
 - d. If the results do not show positive change for each groups, as determined by Activity Logs, the Contractor shall take the following action:
 - i. In cases where the program is being delivered by a single provider in the specified geography, the Contractor shall discontinue implementation of that program in the specified geography.
 - ii. In cases where the program is being delivered by multiple providers in the specified geography, the Contractor shall discontinue implementation of that program by the underperforming provider in the specified geography.
- IV. A program that resulted in the need for a Performance Improvement Plan and Plan during this contract period will not carry that record forward into the July 1, 2021 - June 30, 2023 contract period. Implement and monitor prevention programs and reporting to assure compliance with these guidelines.

6. Requirements

i. Background Checks.

- a. The Contactor shall ensure a criminal background check is conducted for all staff members, case managers, outreach staff members, etc. or volunteers who have unsupervised access to children, adolescents, vulnerable adults, and persons who have developmental disabilities.
- b. When providing services to youth, the Contractor shall ensure that requirements of WAC 388-06-0170 are met.

ii. Services and Activities to Racial/Ethnic Minorities and Diverse Populations.

The Contractor shall:

- a. Ensure all services and activities provided by the Contractor or subcontractor under this Contract shall be designed and delivered in a manner sensitive to the needs of all diverse populations.
- b. Initiate actions to ensure or improve access, retention, and cultural relevance of prevention or other appropriate services, for racial/ethnic minorities and other diverse populations in need of prevention services as identified in their needs assessment.
- c. Take the initiative to strengthen working relationships with other agencies serving these populations. The Contractor shall require its subcontractors to adhere to these requirements.

iii. Continuing Education.

Ensure that continuing education is provided for employees of any entity providing prevention activities in accordance with 42 USC 300x-28(b) and 45 CFR 96.132(b).

iv. Single Source Funding.

- a. The Contractor shall ensure all subcontractors that Single Source Funding means that a subcontractor can use only one source of funds at any given time.
- b. Each cost reimbursement Prevention service provided must be billed only one (1) time through the source selected for funding this expense. At no time may the same expense be billed through more than one (1) funding source.

ATTACHMENT 2 - Confidential Information Security Requirements

1. Definitions

In addition to the definitions set out in Section 2: *Definitions* of this Contract **K3923, Amendment 1** for **CPWI Prevention Services**, the definitions below apply to this Attachment.

- i. "Hardened Password" means a string of characters containing at least three of the following character classes: upper case letters; lower case letters; numerals; and special characters, such as an asterisk, ampersand or exclamation point.
 - a. Passwords for external authentication must be a minimum of 10 characters long.
 - b. Passwords for internal authentication must be a minimum of 8 characters long.
 - c. Passwords used for system service or service accounts must be a minimum of 20 characters long.
- ii. "Portable/Removable Media" means any Data storage device that can be detached or removed from a computer and transported, including but not limited to: optical media (e.g. CDs, DVDs); USB drives; or flash media (e.g. CompactFlash, SD, MMC).
- iii. "Portable/Removable Devices" means any small computing device that can be transported, including but not limited to: handhelds/PDAs/Smartphones; Ultramobile PC's, flash memory devices (e.g. USB flash drives, personal media players); and laptops/notebook/tablet computers. If used to store Confidential Information, devices should be Federal Information Processing Standards (FIPS) Level 2 compliant.
- iv. "Secured Area" means an area to which only Authorized Users have access. Secured Areas may include buildings, rooms, or locked storage containers (such as a filing cabinet) within a room, as long as access to the Confidential Information is not available to unauthorized personnel.
- v. "Transmitting" means the transferring of data electronically, such as via email, SFTP, web services, AWS Snowball, etc.
- vi. "Trusted System(s)" means the following methods of physical delivery: (1) hand-delivery by a person authorized to have access to the Confidential Information with written acknowledgement of receipt; (2) United States Postal Service ("USPS") first class mail, or USPS delivery services that include Tracking, such as Certified Mail, Express Mail or Registered Mail; (3) commercial delivery services (e.g. FedEx, UPS, DHL) which offer tracking and receipt confirmation; and (4) the Washington State Campus mail system. For electronic transmission, the Washington State Governmental Network (SGN) is a Trusted System for communications within that Network.
- vii. "Unique User ID" means a string of characters that identifies a specific user and which, in conjunction with a password, passphrase, or other mechanism, authenticates a user to an information system.

2. Confidential Information Transmitting

- i. When transmitting HCA's Confidential Information electronically, including via email, the Data must be encrypted using NIST 800-series approved algorithms (<http://csrc.nist.gov/publications/PubsSPs.html>). This includes transmission over the public internet.

- ii. When transmitting HCA's Confidential Information via paper documents, the Receiving Party must use a Trusted System.

3. Protection of Confidential Information

The Contractor agrees to store Confidential Information as described:

- i. Data at Rest:
 - a. Data will be encrypted with NIST 800-series approved algorithms. Encryption keys will be stored and protected independently of the data. Access to the Data will be restricted to Authorized Users through the use of access control lists, a Unique User ID, and a Hardened Password, or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Systems which contain or provide access to Confidential Information must be located in an area that is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
 - b. Data stored on Portable/Removable Media or Devices:
 - 1. Confidential Information provided by HCA on Removable Media will be encrypted with NIST 800-series approved algorithms. Encryption keys will be stored and protected independently of the Data.
 - 2. HCA's data must not be stored by the Receiving Party on Portable Devices or Media unless specifically authorized within the Data Share Agreement. If so authorized, the Receiving Party must protect the Data by:
 - i. Encrypting with NIST 800-series approved algorithms. Encryption keys will be stored and protected independently of the data;
 - ii. Control access to the devices with a Unique User ID and Hardened Password or stronger authentication method such as a physical token or biometrics;
 - iii. Keeping devices in locked storage when not in use;
 - iv. Using check-in/check-out procedures when devices are shared;
 - v. Maintain an inventory of devices; and
 - vi. Ensure that when being transported outside of a Secured Area, all devices with Data are under the physical control of an Authorized User.
- ii. Paper documents. Any paper records containing Confidential Information must be protected by storing the records in a Secured Area that is accessible only to authorized personnel. When not in use, such records must be stored in a locked container, such as a file cabinet, locking drawer, or safe, to which only authorized persons have access.

4. Confidential Information Segregation

HCA Confidential Information received under this Contract must be segregated or otherwise distinguishable from non-HCA data. This is to ensure that when no longer needed by the Contractor, all HCA Confidential Information can be identified for return or destruction. It also aids in determining whether HCA Confidential Information has or may have been compromised in the event of a security Breach.

The HCA Confidential Information must be kept in one of the following ways:

- a. on media (e.g. hard disk, optical disc, tape, etc.) which will contain only HCA Data; or
 - b. in a logical container on electronic media, such as a partition or folder dedicated to HCA's Data; or
 - c. in a database that will contain only HCA Data; or
 - d. within a database and will be distinguishable from non-HCA Data by the value of a specific field or fields within database records; or
 - e. when stored as physical paper documents, physically segregated from non-HCA Data in a drawer, folder, or other container.
- ii. When it is not feasible or practical to segregate HCA Confidential Information from non-HCA data, then both the HCA Confidential Information and the non-HCA data with which it is commingled must be protected as described in this Attachment.

5. Confidential Information Shared with Subcontractors

If HCA Confidential Information provided under this Contract is to be shared with a Subcontractor, the contract with the Subcontractor must include all of the Confidential Information Security Requirements.

6. Confidential Information Disposition

When the Confidential Information is no longer needed, except as noted below, the Confidential Information must be returned to HCA or destroyed. Media are to be destroyed using a method documented within NIST 800-88 (<http://csrc.nist.gov/publications/PubsSPs.html>).

- i. For HCA's Confidential Information stored on network disks, deleting unneeded Confidential Information is sufficient as long as the disks remain in a Secured Area and otherwise meet the requirements listed in Section 4: *Confidential Information Segregation*, above. Destruction of the Confidential Information as outlined in this section of this Attachment may be deferred until the disks are retired, replaced, or otherwise taken out of the Secured Area.

ATTACHMENT 3 - BUSINESS ASSOCIATE AGREEMENT

This BUSINESS ASSOCIATE AGREEMENT is made between **Kitsap County** (Business Associate) and the Washington State Health Care Authority (HCA). This agreement does not expire or automatically terminate except as stated in Section 5.

This Agreement relates to **K3923, Amendment 1** between the Business Associate and HCA unless otherwise agreed. Business Associate is or may be a "Business Associate" of HCA as defined in the HIPAA Rules. If there is a conflict between the provisions of this Agreement and provisions of other contracts, this Agreement controls; otherwise, the provisions in this Agreement do not replace any provisions of any other contracts. If the other Contract is terminated, this Agreement nonetheless continues in effect.

This Business Associate Agreement supersedes any existing Business Associate Agreement the Business Associate may have with HCA. It also supersedes any "business associate" section in an underlying Contract.

1. DEFINITIONS

Access attempts - Information systems are the frequent target of probes, scans, "pings," and other activities that may or may not indicate threats, whose sources may be difficult or impossible to identify, and whose motives are unknown, and which do not result in access or risk to any information system or PHI. Those activities are "access attempts."

Day - means business days observed by Washington State government unless otherwise specified.

Catch-all definitions - The following terms used in this Agreement have the same meaning as those terms in the HIPAA Rules: Breach, Business Associate, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Secretary, Security Incident, Unsecured Protected Health Information (PHI), and Use.

Clients or Individuals - "Clients" or "individuals" are people who have health or other coverage or benefits from or through HCA. They include Medicaid clients, Public Employees Benefits Board subscribers and enrollees, and others.

Contract or Underlying Contract - "Contract" or "underlying contract" means all agreements between Business Associate and HCA under which Business Associate is a "business associate" as defined in the Security or Privacy Rules. The terms apply whether there is one such agreement or more than one, and if there is more than one the terms include them all even though a singular form is used except as otherwise specified. The terms include agreements now in effect and agreements that become effective after the effective date of this Agreement.

Effective Date - "Effective Date" means the date of the signature with the latest date affixed to the Agreement.

HIPAA Rules; Security, Breach Notification, and Privacy Rules - "HIPAA Rules" means the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164, as now in effect and as modified from time to time. In part 164 of title 45 CFR, the "Security Rule" is subpart C (beginning with §164.302), the "Breach Notification Rule" is subpart D (beginning with § 164.400), and the "Privacy Rule" is subpart E (beginning with § 164.500).

Protected Health Information or PHI - "Protected Health Information" has the same meaning as in the HIPAA Rules except that in this Agreement the term includes only information created by Business Associate or any of its contractors, or received from or on behalf of HCA, and relating to Clients. "PHI" means Protected Health Information.

2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

i. Limits

Business Associate will not use or disclose PHI other than as permitted or required by the Contract or this Agreement or as required by law. Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI on behalf of, or as necessary for purposes of the underlying contract, if such use or disclosure of PHI would not violate the Privacy Rule if done by a Covered Entity and is the minimum necessary.

ii. Safeguards

Business Associate will use appropriate safeguards, and will comply with the Security Rule with respect to electronic PHI, to prevent use or disclosure of PHI other than as provided for by the Contract or this Agreement. Business Associate will store and transfer PHI in encrypted form.

iii. Reporting Security Incidents

Business Associate will report security incidents that materially interfere with an information system used in connection with PHI. Business Associate will report those security incidents to HCA within five (5) days of their discovery by Business Associate. If such an incident is also a Breach or may be a Breach, subsection 3 applies instead of this provision.

Access Attempts shall be recorded in Business Associate's system logs. Access Attempts are not categorically considered unauthorized Use or Disclosure, but Access Attempts do fall under the definition of Security Incident and Business Associate is required to report them to HCA.

Since Business Associate's reporting and HCA's review of all records of Access Attempts would be materially burdensome to both parties without necessarily reducing risks to information systems or PHI, the parties agree that Business Associate will review logs and other records of Access Attempts, will investigate events where it is not clear whether or not an apparent Access Attempt was successful, and determine whether an Access Attempt:

- a. Was in fact a "successful" unauthorized Access to, or unauthorized Use, Disclosure, modification, or destruction of PHI subject to this Agreement, or
- b. Resulted in material interference with Business Associate's information system used with respect to PHI subject to this Agreement, or
- c. Caused an unauthorized Use or Disclosure.

Subject to Business Associate's performance as described herein. This provision shall serve as Business Associate's notice to HCA that Access Attempts will occur and are anticipated to continue occurring with respect to Business Associate's information systems. HCA acknowledges this notification, and Business Associate is not required to provide further notification of Access Attempts unless they are successful as

described in this Section 2 in which case Business Associate will report them in accordance with this Section 2.

3. BREACH NOTIFICATION

"Breach" is defined in the Breach Notification Rule. The time when a Breach is considered to have been discovered is explained in that Rule. HCA, or its designee, is responsible for determining whether an unauthorized Use or Disclosure constitutes a Breach under the Breach Notification Rule, RCW 42.56.590 or RCW 19.255.010, or other law or rule, and for any notification under the Breach Notification Rule, RCW 42.56.590 or RCW 19.255.010, or other law or rule.

Business Associate will notify HCA of any unauthorized use or disclosure and any other possible Breach within five (5) business days of discovery. If Business Associate does not have full details at that time, it will report what information it has, and provide full details within fifteen business (15) days after discovery. The initial report may be oral. Business Associate will give a written report to HCA, however, as soon as possible. To the extent possible, these reports must include the following:

- i. The identification of each individual whose PHI has been or may have been accessed, acquired, or disclosed;
- ii. The nature of the unauthorized Use or Disclosure, including a brief description of what happened, the date of the event(s), and the date of discovery;
- iii. A description of the types of PHI involved;
- iv. The investigative and remedial actions the Business Associate or its subcontractor took or will take to prevent and mitigate harmful effects, and protect against recurrence;
- v. Any details necessary for a determination of the potential harm to Individuals whose PHI is believed to have been Used or Disclosed and the steps such Individuals should take to protect themselves; and
- vi. Such other information as HCA may reasonably request.

If Business Associate determines that it has or may have an independent notification obligation under any state breach notification laws, Business Associate will promptly notify HCA. In any event, Business Associate will notify HCA of its intent to give any notification under a state breach notification law no fewer than ten (10) business days before giving such notification.

If Business Associate or any subcontractor or agent of Business Associate actually makes or causes, or fails to prevent, a use or disclosure constituting a Breach within the meaning of the Breach Notification Rule, and if notification of that use or disclosure must (in the judgment of HCA) be made under the Breach Notification Rule, or RCW 42.56.590 or RCW 19.255.010, or other law or rule, then:

- i. HCA may choose to make any notifications to the individuals, to the Secretary, and to the media, or direct Business Associate to make them or any of them.
- ii. In any case, Business Associate will pay the reasonable costs of notification to individuals, media, and governmental agencies and of other actions HCA reasonably considers appropriate to protect clients (such as paying for regular credit watches in some cases), and

- iii. Business Associate will compensate HCA clients for harms caused to them by the Breach or possible Breach described above.

Business Associate's obligations regarding breach notification survive the termination of this Agreement and continue for as long as Business Associate maintains the PHI and for any breach or possible breach at any time.

4. Subcontractors

Business Associate will ensure that any subcontractors or agents that create, receive, maintain, or transmit PHI on behalf of the Business Associate agree to protective restrictions, conditions, and requirements at least as strict as those that apply to the Business Associate with respect to that information. Upon request by HCA, Business Associate will identify to HCA all its subcontractors and provide copies of its agreements (including business associate agreements or contracts) with them. The fact that Business Associate subcontracted or otherwise delegated any responsibility to a subcontractor or anyone else does not relieve Business Associate of its responsibilities.

5. Access

Business Associate will make available PHI in a designated record set to the HCA as necessary to satisfy HCA's obligations under 45 CFR § 164.524. Business Associate will give the information to HCA within five (5) business days of the request from the individual or HCA, whichever is earlier. If HCA requests, Business Associate will make that information available directly to the individual. If Business Associate receives a request for access directly from the individual, Business Associate will inform HCA of the request within three (3) business days, and if requested by HCA it will provide the access in accordance with the HIPAA Rules.

6. Amending PHI

Business Associate will make any amendments to PHI in a designated record set as directed or agreed to by the HCA pursuant to 45 CFR § 164.526, or take other measures requested by HCA to satisfy HCA's obligations under that provision. If Business Associate receives a request for amendment directly from an individual, Business Associate will both acknowledge it and inform HCA within three (3) business days, and if HCA so requests act on it within ten (10) business days and inform HCA of its actions.

7. Accounting

Business Associate will maintain and make available to HCA the information required to provide an accounting of disclosures as necessary to satisfy HCA's obligations under 45 CFR § 164.528. If Business Associate receives an individual's request for an accounting, it will either provide the accounting as required by the Privacy Rule or, at its option, pass the request on to HCA within ten (10) business days after receiving it.

8. Obligations

To the extent the Business Associate is to carry out one or more of HCA's obligations under the Privacy Rule, it will comply with the requirements of that rule that apply to HCA in the performance of such obligations.

9. Books, etc.

Business Associate will make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

10. Mitigation

Business Associate will mitigate, to the extent practicable, any harmful effect of a use or disclosure of PHI by Business Associate or any of its agents or subcontractors in violation of the requirements of any of the HIPAA Rules, this Agreement, or the Contract.

11. Indemnification

To the fullest extent permitted by law, Business Associate will indemnify, defend, and hold harmless the State of Washington, HCA, and all officials, agents and employees of the State from and against all claims of any kind arising out of or resulting from the performance of this Agreement, including Breach or violation of HIPAA Rules.

12. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

i. Limited use and disclosure

Except as provided in this Section 3, Business Associate may use or disclose PHI only as necessary to perform the services set forth in the Contract.

ii. General limitation

Business Associate will not use or disclose PHI in a manner that would violate the Privacy Rule if done by HCA.

iii. Required by law

Business Associate may use or disclose PHI as required by law.

iv. De-identifying

Business Associate may de-identified PHI in accordance with 45 CFR § 164.514(a)-(c).

v. Minimum necessary

Business Associate will make uses and disclosures of only the minimum necessary PHI, and will request only the minimum necessary PHI.

13. DISCLOSURE FOR MANAGEMENT AND ADMINISTRATION OF BUSINESS ASSOCIATE

Subject to subsection 3.6.2, Business Associate may disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of the Business Associate.

The disclosures mentioned in subsection 3.6.1 above are permitted only if either:

- a. The disclosures are required by law, or
- b. Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and that the person will notify Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

i. Aggregation

Business Associate may use PHI to provide data aggregation services relating to the health care operations of the HCA, if those services are part of the Contract.

14. ACTIVITIES OF HCA

i. Notice of privacy practices

HCA will provide a copy of its current notice of privacy practices under the Privacy Rule to Business Associate on request. HCA will also provide any revised versions of that notice by posting on its website, and will send it on request.

ii. Changes in permissions

HCA will notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

iii. Restrictions

HCA will notify Business Associate of any restriction on the use or disclosure of PHI that HCA has agreed to or is required to abide by under 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI. Business Associate will comply with any such restriction.

15. TERM AND TERMINATION

i. Term

This Agreement is effective as of the earliest of:

- a. The first date on which Business Associate receives or creates PHI subject to this Agreement, or
- b. The effective date of the Contract, or if there is more than one Contract then the effective date of the first one to be signed by both parties.

This Agreement continues in effect until the earlier of:

- a. Termination of the provision of Services under the Contract or, if there is more than one Contract, under the last of the Contracts under which services are terminated,

- b. The termination of this Agreement as provided below, or
- c. The written agreement of the parties.

ii. Termination for Cause

HCA may terminate this Agreement and the Contract (or either of them), if HCA determines Business Associate has violated a material term of the Agreement. The termination will be effective as of the date stated in the notice of termination.

iii. Obligations of Business Associate upon termination

The obligations of the Business Associate under this subsection 5.3 survive the termination of the Agreement. Upon termination of this Agreement for any reason, Business Associate will:

- a. Retain only that PHI that is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
- b. Return to HCA or, if agreed to by HCA, destroy the PHI that the Business Associate and any subcontractor of Business Associate still has in any form (for purposes of this subsection 5.3, to destroy PHI is to render it unusable, unreadable, or indecipherable to the extent necessary to establish it is not Unsecured PHI, and Business Associate will provide HCA with appropriate evidence of destruction within ten (10) business days of the destruction);
- c. Continue to use appropriate safeguards and comply with the Security Rule with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Agreement, for as long as Business Associate retains any of the PHI (for purposes of this subsection 5.3, If the PHI is destroyed it shall be rendered unusable, unreadable or indecipherable to the extent necessary to establish it is not Unsecured PHI. Business Associate will provide HCA with appropriate evidence of destruction);
- d. Not use or disclose any PHI retained by Business Associate other than for the purposes for which the PHI was retained and subject to the same conditions that applied before termination;
- e. Return to HCA, or, if agreed to by HCA, destroy, the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities; and
- f. Business Associate's obligations relating to providing information to the Secretary and other government survive the termination of this Agreement for any reason.

iv. Successor

Nothing in this Agreement limits the obligations of Business Associate under the Contract regarding giving data to HCA or to a successor Business Associate after termination of the Contract.

16. MISCELLANEOUS

i. Amendment

The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.

ii. Interpretation

Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.

iii. HCA Contact for Reporting and Notification Requirements

Business Associate will address all reporting and notification communications required in this Agreement to:

HCA Privacy Officer
Washington State Health Care Authority
626 8th Avenue SE
PO Box 42704
Olympia, WA 98504-2700
Telephone: 360-725-2108
E-mail: PrivacyOfficer@hca.wa.gov

ATTACHMENT 4 - Data Use, Security and Confidentiality

1. Definitions

In addition to the definitions set out in Section 2: *Definitions*, of the Contract, the definitions below apply to this Exhibit:

“**Authorized User**” means an individual or individuals with an authorized business need to access HCA’s Confidential Information under this Contract.

“**Client**” means an individual who is eligible for or receiving services.

“**Data**” means the information that is disclosed or exchanged as described by this Contract. For purposes of this Contract, Data means the same as “Confidential Information.”

“**Disclosure**” means the release, transfer, provision of, access to, or divulging in any other manner of information outside the entity holding the information.

“**Personal Information**” means information identifiable to any person, including, but not limited to, information that relates to a person’s name, health, finances, education, business, use, or receipt of governmental services or other activities, address, telephone numbers, social security numbers, driver’s license numbers, credit card numbers, any other identifying numbers, and any financial identifiers.

“**Regulation**” means any federal, state, or local regulation, rule, or ordinance.

“**Use**” includes the sharing, employment, application, utilization, examination, or analysis of Data.

2. Description of Data

- i. Contractors collect various data elements associated with prevention programming and service delivery. The Data will be provided by contractors on a monthly and a quarterly basis and entered into Minerva.
- ii. Data Use Purpose. *(if more detail from purpose of overarching agreement is needed (i.e., more restrictions, etc.)* The data is used by state and local providers for contract management, program monitoring and to evaluate outcomes.
- iii. Data elements associated with prevention programming including but not limited to:
 - a. Program and service details such as:
 - i. Name of program
 - ii. Program length in time and date
 - iii. Target service populations
 - iv. Target age groups
 - v. Location of activity in city, county, and zip code
 - vi. Number of participants
 - vii. Survey instruments used as well as fidelity plan
 - viii. Indirect and direct hours contributed by program staff and community coalition coordinators
 - ix. EBP status
 - x. CSAP strategy and service code
 - xi. IOM category
 - xii. Target substance and behavioral health problem
- iv. The Data may be linked with the following: contract management and cost analysis via PowerBI.

3. Data Classification

The State classifies data into categories based on the sensitivity of the data pursuant to the Security policy and standards promulgated by the Office of the state of Washington Chief Information Officer. (See Section 4, Data Security, of Securing IT Assets Standards No. 141.10 in the State Technology Manual at <https://ocio.wa.gov/policy/securing-information-technology-assets>. Section 4 is hereby incorporated by reference.)

The Data that is the subject of this Contract may be in any of the Categories indicated below:

Category 1 – Public Information

Public information is information that can be or currently is released to the public. It does not need protection from unauthorized disclosure, but does need integrity and availability protection controls.

Category 2 – Sensitive Information

Sensitive information may not be specifically protected from disclosure by law and is for official use only. Sensitive information is generally not released to the public unless specifically requested.

Category 3 – Confidential Information

Confidential information is information that is specifically protected from disclosure by law. It may include but is not limited to:

- Personal Information about individuals, regardless of how that information is obtained;
- Information concerning employee personnel records;
- Information regarding IT infrastructure and security of computer and telecommunications systems;

Category 4 – Confidential Information Requiring Special Handling.

Category 4 Data is information that is specifically protected from disclosure and for which:

- Especially strict handling requirements are dictated, such as by statutes, regulations, or agreements;
- Serious consequences could arise from unauthorized disclosure, such as threats to health and safety, or legal sanctions.

4. Constraints on Use of Data

- i. The Data being shared/accessed is owned and belongs to HCA.
- ii. This Contract does not constitute a release of the Data for the Contractor's discretionary use. Contractor must use the Data received or accessed under this Contract only to carry out the purpose of this Contract. Any analyses, use, or reporting that is not within the Purpose of this Contract is not permitted without HCA's prior written consent.
- iii. Any disclosure of Data contrary to this Contract is unauthorized and is subject to penalties identified in law.

5. Security of Data

i. Data Protection

- a. The Contractor must protect and maintain all Confidential Information gained by reason of this Contract, information that is defined as confidential under state or federal law or regulation, or Data that HCA has identified as confidential, against unauthorized use, access, disclosure, modification or loss. This duty requires the Contractor to employ reasonable security measures, which include restricting access to the Confidential Information by:
- b. Allowing access only to staff that have an authorized business requirement to view the Confidential Information; and
- c. Physically securing any computer, documents, or other media containing the Confidential Information.

ii. Data Security Standards

Contractor must comply with the Data Security Requirements set out in Attachment 4, *Confidential Information Security Requirements*, and the Washington OCIO Security Standard, 141.10, which will include any successor, amended, or replacement regulation ([https://ocio.wa.gov/policy/securing-information-technology-assets.](https://ocio.wa.gov/policy/securing-information-technology-assets)) The Security Standard 141.10 is hereby incorporated by reference into this Contract.

iii. Data Disposition

For the purposes of this section “fiscal year” is from July 1 to June 30.

Upon request by HCA, at the end of the Contract term, when no longer needed, or 6 years after the end of the fiscal year in which the Data is received, Confidential Information/Data must be returned to HCA or disposed of as set out in Attachment 4, *Confidential Information Security Requirements*, except as required to be maintained for compliance or accounting purposes.

6. Data Confidentiality and Non-Disclosure

i. Data Confidentiality and Non-Disclosure

a. Data Confidentiality

The Contractor will not use, publish, transfer, sell or otherwise disclose any Confidential Information gained by reason of this Contract for any purpose that is not directly connected with the purpose of this Contract, except:

- as provided by law; or
- with the prior written consent of the person or personal representative of the person who is the subject of the Confidential Information.

b. Penalties for Unauthorized Disclosure of Data

The Contractor must ensure that all employees or Subcontractors who will have access to the Data described in this Contract (including both employees who will use the Data and IT support staff) are instructed and made aware of the use restrictions and protection requirements of this Contract before gaining access to the Data identified herein. The Contractor will also instruct and make any new employee aware of the use

restrictions and protection requirements of this Contract before they gain access to the Data.

State laws (including RCW 74.04.060 and RCW 70.02.020) and federal regulations (including HIPAA Privacy and Security Rules, 45 CFR Part 160 and Part 164; Confidentiality of Alcohol and Drug Abuse Patient Records, 42 CFR, Part 2; and Safeguarding Information on Applicants and Beneficiaries, 42 CFR Part 431, Subpart F) prohibit unauthorized access, use, or disclosure of Confidential Information. The Contractor must comply with all applicable federal laws and regulations concerning collection, use, and disclosure of Personal Information and PHI. Violation of these laws may result in criminal or civil penalties or fines.

The Contractor accepts full responsibility and liability for any noncompliance by itself, its employees, and its Subcontractors with these laws and any violations of the Contract.

c. Data Shared with Subcontractors

If Data access is to be provided to a Subcontractor under this Contract, the Contractor must include all of the Data security terms, conditions and requirements set forth in this Contract in any such Subcontract. However, no subcontract will terminate the Contractor's legal responsibility to HCA for any work performed under this Contract nor for oversight of any functions and/or responsibilities it delegates to any subcontractor

ii. **Data Breach Notification**

The Breach or potential compromise of Data must be reported to the HCA Privacy Officer at PrivacyOfficer@hca.wa.gov within two (2) business days of discovery. If the Contractor does not have full details, it will report what information it has, and provide full details within fifteen (15) business days of discovery. To the extent possible, these reports must include the following:

- a. The identification of each individual whose PHI has been or may have been improperly accessed, acquired, used, or disclosed;
 - b. The nature of the unauthorized use or disclosure, including a brief description of what happened, the date of the event(s), and the date of discovery;
 - c. A description of the types of Data involved;
 - d. The investigative and remedial actions the Contractor or its Subcontractor took or will take to prevent and mitigate harmful effects, and protect against recurrence;
 - e. Any details necessary for a determination of the potential harm to individuals whose Data is believed to have been used or disclosed and the steps those individuals should take to protect themselves; and
 - f. Any other information HCA reasonably requests.
- iii. The Contractor must take actions to mitigate the risk of loss and comply with any notification or other requirements imposed by law or HCA including but not limited to 45 C.F.R. Part 164, Subpart D; RCW 42.56.590; RCW 19.255.010; or WAC 284-04-625.
- iv. If notification of the Breach or possible Breach must, in the judgement of HCA, be made under the HIPAA Breach Notification Rule, or RCW 42.56.590 or RCW 19.255.010, or other law or rule, then:
- a. HCA may choose to make any required notifications to the individuals, to the U.S. Department of Health and Human Services (DHHS) Secretary, and to the media, or direct Contractor to make them or any of them.

- b. In any case, Contractor will pay the reasonable costs of notification to individuals, media, and governmental agencies and of other actions HCA reasonably considers appropriate to protect HCA clients, such as paying for regular credit watches in some cases.
 - c. Contractor will compensate HCA clients for harms caused to them by any Breach or possible Breach.
- v. Any breach of this clause may result in termination of the Contractor and the demand for return or disposition, as described in Section 5.iii, of all Confidential Information.
- vi. Contractor's obligations regarding Breach notification survive the termination of this Contract and continue for as long as Contractor maintains the Confidential Information and for any Breach or possible Breach at any time.

7. Inspection

HCA reserves the right to monitor, audit, or investigate compliance with this Contract in regards to the Personal Information and PHI of Enrollees collected, used, or acquired by Contractor during the term of this Contract and for six (6) years following termination or expiration of this Contract. HCA will have access to Contractor's records and place of business for this purpose. All HCA representatives conducting onsite audits of Contractor agree to keep confidential any patient-identifiable information which may be reviewed during the course of any site visit or audit.

8. Indemnification for Unauthorized Use or Release

The Contractor must indemnify and hold HCA and its employees harmless from any damages related to the Contractor's or Subcontractor's unauthorized use or release of Personal Information or PHI of Enrollees.

ATTACHMENT 5 – Federal Compliance, Certifications, and Assurances

Definitions:

“**Sub-recipient**”; means the legal entity to which a sub-award is made and which is accountable to the State for the use of the funds provided in carrying out a portion of the State’s programmatic effort under a sponsored project. The term may include institutions of higher education, for-profit corporations or non-U.S. Based entities.

“**Sub-award and Sub-grant**” are used interchangeably and mean a lower tier award of financial support from a prime awardee (e.g., Washington State Health Care Authority) to a Sub-recipient for the performance of a substantive portion of the program. These requirements do not apply to the procurement of goods and services for the benefit of the Washington State Health Care Authority.

- I. **FEDERAL COMPLIANCE** - The use of federal funds requires additional compliance and control mechanisms to be in place. The following represents the majority of compliance elements that may apply to any federal funds provided under this contract. For clarification regarding any of these elements or details specific to the federal funds in this contract, contact: **Kasey Kates**.
 - a. Source of Funds **SABG**: This agreement is being funded partially or in full through Cooperative Agreement number B08T1083138-01, the full and complete terms and provisions of which are hereby incorporated into this Contract. Federal funds to support this agreement are identified by the Catalog of Federal Domestic Assistance (CFDA) number 93.959 in the amount of **\$364,836**. The sub-awardee is responsible for tracking and reporting the cumulative amount expended under HCA Contract **K3923, Amendment 1**.
 - b. *Period of Availability of Funds SABG*: Pursuant to 45 CFR 92.23, Sub-awardee may charge to the award only costs resulting from obligations of the funding period specified in B08T1083138-01 unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period. All obligations incurred under the award must be liquidated no later than 90 days after the end of the funding period.
 - c. Source of Funds **PFS 2013**: This agreement is being funded partially or in full through Cooperative Agreement number 7U79SP023011, the full and complete terms and provisions of which are hereby incorporated into this Contract. Federal funds to support this agreement are identified by the Catalog of Federal Domestic Assistance (CFDA) number 93.243 in the amount of **\$0**. The sub-awardee is responsible for tracking and reporting the cumulative amount expended under HCA Contract **K3923, Amendment 1**.
 - d. *Period of Availability of Funds PFS 2013*: Pursuant to 45 CFR 92.23, Sub-awardee may charge to the award only costs resulting from obligations of the funding period specified in 7U79SP023011 unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period. All obligations incurred under the award must be liquidated no later than 90 days after the end of the funding period.
 - e. Source of Funds **PFS 2018**: This agreement is being funded partially or in full through Cooperative Agreement number H79SP080980, the full and complete terms and provisions of which are hereby incorporated into this Contract. Federal funds to support this agreement are identified by the Catalog of Federal Domestic Assistance (CFDA) number 93.243 in the amount of **\$0**. The sub-awardee is responsible for tracking and reporting the cumulative amount expended under HCA Contract **K3923, Amendment 1**.
 - f. *Period of Availability of Funds PFS 2018*: Pursuant to 45 CFR 92.23, Sub-awardee may charge to the award only costs resulting from obligations of the funding period specified in H79SP080980 unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period. All obligations incurred under the award must be liquidated no later than 90 days after the end of the funding period.

- g. Source of Funds **SOR**: This agreement is being funded partially or in full through Cooperative Agreement number H79TI081705, the full and complete terms and provisions of which are hereby incorporated into this Contract. Federal funds to support this agreement are identified by the Catalog of Federal Domestic Assistance (CFDA) number 93.788 in the amount of **\$0**. The sub-awardee is responsible for tracking and reporting the cumulative amount expended under HCA Contract **K3923, Amendment 1**.
- h. *Period of Availability of Funds SOR*: Pursuant to 45 CFR 92.23, Sub-awardee may charge to the award only costs resulting from obligations of the funding period specified in SOR H79TI081705 unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period. All obligations incurred under the award must be liquidated no later than 90 days after the end of the funding period.
- i. Source of Funds **SOR II**: This agreement is being funded partially or in full through Cooperative Agreement number H79T1083286, the full and complete terms and provisions of which are hereby incorporated into this Contract. Federal funds to support this agreement are identified by the Catalog of Federal Domestic Assistance (CFDA) number 93.788 in the amount of **\$0**. The sub-awardee is responsible for tracking and reporting the cumulative amount expended under HCA Contract **K3923, Amendment 1**.
- j. *Period of Availability of Funds SOR II*: Pursuant to 45 CFR 92.23, Sub-awardee may charge to the award only costs resulting from obligations of the funding period specified in SOR II H79T1083286 unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period. All obligations incurred under the award must be liquidated no later than 90 days after the end of the funding period.
- k. Source of Funds **STR**: This agreement is being funded partially or in full through Cooperative Agreement number TI026803, the full and complete terms and provisions of which are hereby incorporated into this Contract. Federal funds to support this agreement are identified by the Catalog of Federal Domestic Assistance (CFDA) number 93.788 in the amount of **\$0**. The sub-awardee is responsible for tracking and reporting the cumulative amount expended under HCA Contract **K3923, Amendment 1**.
- l. *Period of Availability of Funds STR*: Pursuant to 45 CFR 92.23, Sub-awardee may charge to the award only costs resulting from obligations of the funding period specified in TI026803 unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period. All obligations incurred under the award must be liquidated no later than 90 days after the end of the funding period.
- m. *Single Audit Act*: A sub-awardee (including private, for-profit hospitals and non-profit institutions) shall adhere to the federal Office of Management and Budget (OMB) Super Circular 2 CFR 200.501 and 45 CFR 75.501. A sub-awardee who expends \$750,000 or more in federal awards during a given fiscal year shall have a single or program-specific audit for that year in accordance with the provisions of OMB Super Circular 2 CFR 200.501 and 45 CFR 75.501.
- n. *Modifications*: This agreement may not be modified or amended, nor may any term or provision be waived or discharged, including this particular Paragraph, except in writing, signed upon by both parties.
1. Examples of items requiring Health Care Authority prior written approval include, but are not limited to, the following:
 - i. Deviations from the budget and Project plan.
 - ii. Change in scope or objective of the agreement.
 - iii. Change in a key person specified in the agreement.
 - iv. The absence for more than one (1) months or a 25% reduction in time by

- the Project Manager/Director.
- v. Need for additional funding.
 - vi. Inclusion of costs that require prior approvals as outlined in the appropriate cost principles.
 - vii. Any changes in budget line item(s) of greater than twenty percent (20%) of the total budget in this agreement.
2. No changes are to be implemented by the Sub-awardee until a written notice of approval is received from the Health Care Authority.
- o. *Sub-Contracting*: The sub-awardee shall not enter into a sub-contract for any of the work performed under this agreement without obtaining the prior written approval of the Health Care Authority. If sub-contractors are approved by the Health Care Authority, the subcontract, shall contain, at a minimum, sections of the agreement pertaining to Debarred and Suspended Vendors, Lobbying certification, Audit requirements, and/or any other project Federal, state, and local requirements.
 - p. *Condition for Receipt of Health Care Authority Funds*: Funds provided by Health Care Authority to the sub-awardee under this agreement may not be used by the sub-awardee as a match or cost-sharing provision to secure other federal monies without prior written approval by the Health Care Authority.
 - q. *Unallowable Costs*: The sub-awardees' expenditures shall be subject to reduction for amounts included in any invoice or prior payment made which determined by HCA not to constitute allowable costs on the basis of audits, reviews, or monitoring of this agreement.
 - r. *Supplanting Compliance*: *The SABG Block Grant will not be used to supplant State funding of alcohol and other drug prevention and treatment programs. (45 CFR section 96.123(a)(10)).*
 - s. *Citizenship/Alien Verification/Determination*: The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (PL 104-193) states that federal public benefits should be made available only to U.S. citizens and qualified aliens. Entities that offer a service defined as a "federal public benefit" must make a citizenship/qualified alien determination/ verification of applicants at the time of application as part of the eligibility criteria. Non-US citizens and unqualified aliens are not eligible to receive the services. PL 104-193 also includes specific reporting requirements.
 - t. *Federal Compliance*: The sub-awardee shall comply with all applicable State and Federal statutes, laws, rules, and regulations in the performance of this agreement, whether included specifically in this agreement or not.
 - u. *Civil Rights and Non-Discrimination Obligations* During the performance of this agreement, the Contractor shall comply with all current and future federal statutes relating to nondiscrimination. These include but are not limited to: Title VI of the Civil Rights Act of 1964 (PL 88-352), Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681-1683 and 1685-1686), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101- 6107), the Drug Abuse Office and Treatment Act of 1972 (PL 92-255), the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (PL 91-616), §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290dd-3 and 290ee-3), Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), and the Americans with Disability Act (42 U.S.C., Section 12101 et seq.) <http://www.hhs.gov/ocr/civilrights>.

HCA Federal Compliance Contact Information

Federal Grants and Budget Specialist Health Care Policy
Washington State Health Care Authority
Post Office Box 42710
Olympia, Washington 98504-2710

- II. **CIRCULARS ‘COMPLIANCE MATRIX’** - The following compliance matrix identifies the OMB Circulars that contain the requirements which govern expenditure of federal funds. These requirements apply to the Washington State Health Care Authority (HCA), as the primary recipient of federal funds and then follow the funds to the sub-awardee **Kitsap County**. The federal Circulars which provide the applicable administrative requirements, cost principles and audit requirements are identified by sub-awardee organization type.

| | OMB CIRCULAR | | |
|---|--|-----------------|--------------------|
| ENTITY TYPE | ADMINISTRATIVE REQUIREMENTS | COST PRINCIPLES | AUDIT REQUIREMENTS |
| State, Local and Indian Tribal Governments and Governmental Hospitals | OMB Super Circular 2 CFR 200.501 and 45 CFR 75.501 | | |
| Non-Profit Organizations and Non-Profit Hospitals | | | |
| Colleges or Universities and Affiliated Hospitals | | | |
| For-Profit Organizations | | | |

Definitions:

“**Sub-recipient**”; means the legal entity to which a sub-award is made and which is accountable to the State for the use of the funds provided in carrying out a portion of the State’s programmatic effort under a sponsored project. The term may include institutions of higher education, for-profit corporations or non-U.S. Based entities.

“**Sub-award and Sub-grant**” are used interchangeably and mean a lower tier award of financial support from a prime awardee (e.g., Washington State Health Care Authority) to a Sub-recipient for the performance of a substantive portion of the program. These requirements do not apply to the procurement of goods and services for the benefit of the Washington State Health Care Authority.

- III. **STANDARD FEDERAL CERTIFICATIONS AND ASSURANCES** - Following are the Assurances, Certifications, and Special Conditions that apply to all federally funded (in whole or in part) agreements administered by the Washington State Health Care Authority.

CERTIFICATIONS

1. CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

The undersigned (authorized official signing for the contracting organization) certifies to the best of his or her knowledge and belief, that the contractor, defined as the primary participant in accordance with 45 CFR Part 76, and its principals:

- I. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency have not within a 3-year period preceding this contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; are not presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with

commission of any of the offenses enumerated in Section 2 of this certification; and have not within a 3-year period preceding this contract had one or more public transactions (Federal, State, or local) terminated for cause or default.

Should the contractor not be able to provide this certification, an explanation as to why should be placed after the assurances page in the contract.

The contractor agrees by signing this contract that it will include, without modification, the clause titled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion--Lower Tier Covered Transactions" in all lower tier covered transactions (i.e., transactions with sub-grantees and/or contractors) and in all solicitations for lower tier covered transactions in accordance with 45 CFR Part 76.

2. CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The undersigned (authorized official signing for the contracting organization) certifies that the contractor will, or will continue to, provide a drug-free workplace in accordance with 45 CFR Part 76 by:

- I. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition; Establishing an ongoing drug-free awareness program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The contractor's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- II. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by paragraph (I) above;
- III. Notifying the employee in the statement required by paragraph (I), above, that, as a condition of employment under the contract, the employee will—
 - a. Abide by the terms of the statement; and
 - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction;
- IV. Notifying the agency in writing within ten calendar days after receiving notice under paragraph (III)(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every contract officer or other designee on whose contract activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- V. Taking one of the following actions, within thirty (30) calendar days of receiving notice under paragraph (III) (b), with respect to any employee who is so convicted—
 - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- VI. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (I) through (V).

For purposes of paragraph (V) regarding agency notification of criminal drug convictions, Authority has designated the following central point for receipt of such notices:

Legal Services Manager
WA State Health Care Authority
PO Box 42700
Olympia, WA 98504-2700

3. CERTIFICATION REGARDING LOBBYING

Title 31, United States Code, Section 1352, entitled "Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions," generally prohibits recipients of Federal grants and cooperative agreements from using Federal (appropriated) funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a SPECIFIC grant or cooperative agreement. Section 1352 also requires that each person who requests or receives a Federal grant or cooperative agreement must disclose lobbying undertaken with non-Federal (nonappropriated) funds. These requirements apply to grants and cooperative agreements EXCEEDING \$100,000 in total costs (45 CFR Part 93).

The undersigned (authorized official signing for the contracting organization) certifies, to the best of his or her knowledge and belief, that:

- VII. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- VIII. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. (If needed, Standard Form-LLL, "Disclosure of Lobbying Activities," its instructions, and continuation sheet are included at the end of this application form.)
- IX. The undersigned shall require that the language of this certification be included in the award documents for all subcontracts at all tiers (including subcontracts, subcontracts, and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

4. CERTIFICATION REGARDING PROGRAM FRAUD CIVIL REMEDIES ACT (PFCRA)

The undersigned (authorized official signing for the contracting organization) certifies that the statements herein are true, complete, and accurate to the best of his or her knowledge, and that he or she is aware that any false, fictitious, or fraudulent statements or claims may subject him or her to criminal, civil, or administrative penalties. The undersigned agrees that the contracting organization will comply with the Public Health Service terms and conditions of award if a contract is awarded.

5. CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law also applies to children's services that

are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds. The law does not apply to children's services provided in private residence, portions of facilities used for inpatient drug or alcohol treatment, service providers whose sole source of applicable Federal funds is Medicare or Medicaid, or facilities where WIC coupons are redeemed.

Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

By signing the certification, the undersigned certifies that the contracting organization will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

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

The Public Health Services strongly encourages all recipients to provide a smoke-free workplace and promote the non-use of tobacco products. This is consistent with the PHS mission to protect and advance the physical and mental health of the American people.

6. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS INSTRUCTIONS FOR CERTIFICATION

- I. By signing and submitting this proposal, the prospective contractor is providing the certification set out below.
- II. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective contractor shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective contractor to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
- III. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective contractor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.
- IV. The prospective contractor shall provide immediate written notice to the department or agency to whom this contract is submitted if at any time the prospective contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- V. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the person to whom this contract is submitted for assistance in obtaining a copy of those regulations.
- VI. The prospective contractor agrees by submitting this contract that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by Authority.
- VII. The prospective contractor further agrees by submitting this contract that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," provided by HHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- VIII. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide

the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List (of excluded parties).

- IX. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- X. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, Authority may terminate this transaction for cause or default.

7. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS

- I. The prospective contractor certifies to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b. Have not within a three-year period preceding this contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph 7(1)(b) of this certification; and
 - d. Have not within a three-year period preceding this contract had one or more public transactions (Federal, State or local) terminated for cause or default.
- II. Where the prospective contractor is unable to certify to any of the statements in this certification, such prospective contractor shall attach an explanation to this proposal.

CONTRACTOR SIGNATURE REQUIRED

| | |
|---|-------|
| SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL | TITLE |
| Please also print or type name: | |
| ORGANIZATION NAME: (if applicable) | DATE |

ATTACHMENT 6 - Federal Funding Accountability and Transparency Act (FFATA) Data Collection Form

This Contract is supported by federal funds that require compliance with the Federal Funding Accountability and Transparency Act (FFATA or the Transparency Act). The purpose of the Transparency Act is to make information available online so the public can see how federal funds are spent.

To comply with the act and be eligible to enter into this contract, your organization must have a Data Universal Numbering System (DUNS®) number. A DUNS® number provides a method to verify data about your organization. If you do not already have one, you may receive a DUNS® number free of charge by contacting Dun and Bradstreet at www.dnb.com.

Required information about your organization and this contract will be made available on USASpending.gov by the Washington State Health Care Authority (HCA) as required by P.L. 109-282. As a tool to provide the information, HCA encourages registration with the Central Contractor Registry (CCR) because less data entry and re-entry is required by both HCA and your organization. You may register with CCR on-line at <https://www.uscontractorregistration.com/>.

Contractor must complete this form and return it to the Health Care Authority (HCA).

CONTRACTOR

| 1. Legal Name Kitsap County | 2. DUNS Number 071855191 | | | | | | | | | | | | |
|---|-----------------------------|------------------|--------------------|----|--|----|--|----|--|----|--|----|--|
| 3. Principle Place of Performance 614 Division St MS 23 | | | | | | | | | | | | | |
| 3a. City Port Orchard | 3b. State WA | | | | | | | | | | | | |
| 3c. Zip+4: 98366-4676 | 3d. Country USA | | | | | | | | | | | | |
| 4. Are you registered in CCR (https://www.uscontractorregistration.com/)? <input type="checkbox"/> YES (skip to page 2. Sign, date and return) <input type="checkbox"/> NO | | | | | | | | | | | | | |
| 5. In the preceding fiscal year did your organization: <ul style="list-style-type: none"> a. Receive 80% or more of annual gross revenue from federal contracts, subcontracts, grants, loans, sub grants, and/or cooperative agreements; and b. \$25,000,000 or more in annual gross revenues from federal contracts, subcontracts, grants, loans, subgrants, and/or cooperative agreements; and c. The public does not have access to information about the compensation of the executives through periodic reports filed with the IRS or the Security and Exchange Commission per 2 CFR Part 170.330 <input type="checkbox"/> NO (skip the remainder of this section - Sign, date and return) <input type="checkbox"/> YES (You must report the names and total compensation of the top 5 highly compensated officials of your organization). | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Name Of Official</th> <th>Total Compensation</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td></td> </tr> <tr> <td>2.</td> <td></td> </tr> <tr> <td>3.</td> <td></td> </tr> <tr> <td>4.</td> <td></td> </tr> <tr> <td>5.</td> <td></td> </tr> </tbody> </table> | | Name Of Official | Total Compensation | 1. | | 2. | | 3. | | 4. | | 5. | |
| Name Of Official | Total Compensation | | | | | | | | | | | | |
| 1. | | | | | | | | | | | | | |
| 2. | | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | | |
| 5. | | | | | | | | | | | | | |
| <p>Note: "Total compensation" means the cash and noncash dollar value earned by the executive during the sub-recipient's past fiscal year of the following (for more information see 17 CFR 229.402 (c)(2)).</p> | | | | | | | | | | | | | |

By signing this document, the Contractor Authorized Representative attests to the information.

| | |
|---|------|
| Signature of Contractor Authorized Representative | Date |
|---|------|

HCA will not endorse the Contractor's subaward until this form is completed and returned.

FOR HEALTH CARE AUTHORITY USE ONLY

| |
|--|
| HCA Contract Number: K3923, Amendment 1 |
| Sub-award Project Description (see instructions and examples below) Coordination and implementation of prevention programs and strategies designed to prevent or delay the misuse and abuse of alcohol, marijuana, tobacco, opioids, and other drugs, increase mental health promotion and prevent suicide in support of the Community Prevention and Wellness Initiative (CPWI). |

Instructions for Sub-award Project Description:

In the first line of the description provide a title for the sub-award that captures the main purpose of the subrecipients work. Then, indicate the name of the subrecipient and provide a brief description that captures the overall purpose of the sub-award, how the funds will be used, and what will be accomplished.

Example of a Sub-award Project Description:

Increase Healthy Behaviors: Educational Services District XYZ will provide training and technical assistance to chemical dependency centers to assist the centers to integrate tobacco use into their existing addiction treatment programs. Funds will also be used to assist centers in creating tobacco free treatment environments.

ATTACHMENT 7 - Substance Abuse and Mental Health Services Administration (SAMHSA) Award Terms

1. SAMHSA Award Terms.

- I. This grant is subject to the terms and conditions, included directly, or incorporated by reference on the Notice of Award (NoA).
- II. Grant funds cannot be used to supplant current funding of existing activities.
- III. By law, none of the funds awarded can be used to pay the salary of an individual at a rate in excess of the Executive Level 1, which is \$199,700 annually.
- IV. Awardees and sub-recipients must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or sub-grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. SAMHSA or its designee may conduct a financial compliance audit and on-site program review of grants with significant amounts of Federal funding.
- V. Per 45 Code of Federal Regulations (CFR) 74.36 and 45 CFR 92.34 and the US Department of Health and Human Services Grants Policy Statement, any copyrighted or copyrightable works developed under this cooperative agreement/grant shall be subject to royalty-free, nonexclusive and irrevocable license to the government to reproduce, publish, or otherwise use them and to authorize others to do so for General Government purposes. Income earned from any copyrightable work developed under this grant must be used as program income.
- VI. Program income accrued under this award must be used in accordance with the additional costs alternative described in 45 CFR 74.24(b)(1) or 45 CFR 92.25(g)(2) as applicable. Program income must be used to further the grant objectives and shall only be used for allowable costs as set forth in the applicable Office of Management and Budget circulars A-102 and A-110.
- VII. No part of an appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself or any State legislature.
- VIII. No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agency acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any State legislature.
- IX. Where a conference is funded by a grant or cooperative agreement the recipient must include the following statement on all conference materials (including promotional materials, agenda, and internet sites): "Funding for this conference was made possible (in part) by Grants, and from SAMHSA. The views expressed in written conference materials or publications and by speakers and moderators do not necessarily reflect the official policies of the Department of Health and Human Services; nor does mention of trade names, commercial practices, or organizations imply endorsement by the U.S. Government."
- X. If federal funds are used by the Contractor to attend a meeting, conference, etc. and meal(s) are provided as part of the program, then the per diem applied to the Federal travel costs (Meal and Incidental Expenses allowance) must be reduced by the allotted meal cost(s).
- XI. **Marijuana Attestation.** The primary award recipient and all sub-recipients (contractor & sub-awardee) will not use funds, directly or indirectly, to purchase, prescribe, or provide marijuana or treatment using marijuana. Treatment in this context includes the treatment of opioid use disorder. Grant funds also will

not be provided to any individual who or organization that provides or permits marijuana use for the purposes of treating substance use or mental disorders (45 CFR. § 75.300(a); 21 United States Code §§ 812(c) (10) and 8410). This prohibition does not apply to those providing such treatment in the context of clinical research permitted by the Drug Enforcement Administration and under a US Food and Drug Administration-approved investigational new drug application where the article being evaluated is marijuana or a constituent thereof that is otherwise a banned controlled substance under federal law.

- XII. **SABG Block Grant Attestation:** SABG Block grant funds will not be used to supplant State funding of alcohol and other drug prevention and treatment programs. (45 CFR section 96.123(a)(10)).

ATTACHMENT 8 - Federal Award Identification for Subrecipients

(Reference 2 CFR 200.331)

Substance Abuse Prevention and Treatment Block Grant (SABG)

| | |
|---|---|
| (i) Subrecipient name (which must match the name associated with its unique entity identifier); | Kitsap County |
| (ii) Subrecipient's unique entity identifier; (DUNS) | 071855191 |
| (iii) Federal Award Identification Number (FAIN); | B08T1083138-01 |
| (iv) Federal Award Date (see §200.39 Federal award date); | 4/29/2020 |
| (v) Subaward Period of Performance Start and End Date; | 7/1/2019 through 6/30/2021 |
| (vi) Amount of Federal Funds Obligated by this action; | \$364,836 |
| (vii) Total Amount of Federal Funds Obligated to the subrecipient; | \$364,836 |
| (xiii) Total Amount of the Federal Award; | \$18,893,353 |
| (ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); | Substance Abuse Prevention and Treatment |
| (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official, | SAMHSA WA State Health Care Authority Keri Waterland, Assistant Director DBHR 626 8th Ave SE; Olympia, WA 98504-5330 Keri.waterland@hca.wa.gov |
| (xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement; | 93.959 Substance Abuse Prevention and Treatment Block Grant |
| (xii) Identification of whether the award is R&D; and | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| (xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs). | de minimus (10%) |

Federal Award Identification for Subrecipients (reference 2 CFR 200.331)**Partnerships for Success (PFS) 2013**

| | |
|---|---|
| (i) Subrecipient name (which must match the name associated with its unique entity identifier); | Kitsap County |
| (ii) Subrecipient's unique entity identifier; (DUNS) | 071855191 |
| (iii) Federal Award Identification Number (FAIN); | 7U79SP023011 |
| (iv) Federal Award Date (see §200.39 Federal award date); | 7/1/2018 |
| (v) Subaward Period of Performance Start and End Date; | 7/1/2019 through 9/29/2019 |
| (vi) Amount of Federal Funds Obligated by this action; | \$0 |
| (vii) Total Amount of Federal Funds Obligated to the subrecipient; | \$0 |
| (xiii) Total Amount of the Federal Award; | \$2,103,524 (7/1/18-9/29/19) |
| (ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); | WA State Strategic Prevention Framework – Partnerships for Success Project |
| (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official, | SAMHSA WA State Health Care Authority Keri Waterland, Assistant Director DBHR 626 8th Ave SE; Olympia, WA 98504-5330 Keri.waterland@hca.wa.gov |
| (xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement; | 93.243 |
| (xii) Identification of whether the award is R&D; and | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| (xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs). | de minimus (10%) |

Federal Award Identification for Subrecipients (reference 2 CFR 200.331)**Partnerships for Success (PFS) 2018**

| | |
|---|---|
| (i) Subrecipient name (which must match the name associated with its unique entity identifier); | Kitsap County |
| (ii) Subrecipient's unique entity identifier; (DUNS) | 071855191 |
| (iii) Federal Award Identification Number (FAIN); | H79SP080980 |
| (iv) Federal Award Date (see §200.39 Federal award date); | 9/13/2018 |
| (v) Subaward Period of Performance Start and End Date; | 7/1/2019 through 9/29/2022 |
| (vi) Amount of Federal Funds Obligated by this action; | \$0 |
| (vii) Total Amount of Federal Funds Obligated to the subrecipient; | \$0 |
| (xiii) Total Amount of the Federal Award; | \$11,300,000 (9/30/18-9/29/23) |
| (ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); | WA State Strategic Prevention Framework – Partnerships for Success Project |
| (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official, | SAMHSA WA State Health Care Authority Keri Waterland, Assistant Director DBHR 626 8th Ave SE; Olympia, WA 98504-5330 Keri.waterland@hca.wa.gov |
| (xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement; | 93.243 |
| (xii) Identification of whether the award is R&D; and | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| (xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs). | de minimus (10%) |

Federal Award Identification for Subrecipients (reference 2 CFR 200.331)**Washington State Opioid Response (SOR) Grant**

| | |
|---|---|
| (i) Subrecipient name (which must match the name associated with its unique entity identifier); | Kitsap County |
| (ii) Subrecipient's unique entity identifier; (DUNS) | 071855191 |
| (iii) Federal Award Identification Number (FAIN); | H79TI081705 |
| (iv) Federal Award Date (see §200.39 Federal award date); | 09/03/2018 |
| (v) Subaward Period of Performance Start and End Date; | 7/1/2019 through 9/29/2020 |
| (vi) Amount of Federal Funds Obligated by this action; | \$0 |
| (vii) Total Amount of Federal Funds Obligated to the subrecipient; | \$0 |
| (xiii) Total Amount of the Federal Award; | \$21,573,093 |
| (ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); | Washington State Opioid Response (SOR) Grant |
| (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official, | SAMHSA WA State Health Care Authority Keri Waterland, Assistant Director DBHR 626 8th Ave SE; Olympia, WA 98504-5330 Keri.waterland@hca.wa.gov |
| (xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement; | 93.788 |
| (xii) Identification of whether the award is R&D; and | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| (xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs). | de minimus (10%) |

Federal Award Identification for Subrecipients (reference 2 CFR 200.331)**Washington State Opioid Response II (SOR II) Grant**

| | |
|---|---|
| (i) Subrecipient name (which must match the name associated with its unique entity identifier); | Kitsap County |
| (ii) Subrecipient's unique entity identifier; (DUNS) | 071855191 |
| (iii) Federal Award Identification Number (FAIN); | H79TI083286 |
| (iv) Federal Award Date (see §200.39 Federal award date); | 08/27/2020 |
| (v) Subaward Period of Performance Start and End Date; | 9/30/2020 through 9/29/2022 |
| (vi) Amount of Federal Funds Obligated by this action; | \$0 |
| (vii) Total Amount of Federal Funds Obligated to the subrecipient; | \$0 |
| (xiii) Total Amount of the Federal Award; | \$27,173,792 |
| (ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); | Washington State Opioid Response II (SOR II) Grant |
| (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official, | SAMHSA WA State Health Care Authority Keri Waterland, Assistant Director DBHR 626 8th Ave SE; Olympia, WA 98504-5330 Keri.waterland@hca.wa.gov |
| (xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement; | 93.788 |
| (xii) Identification of whether the award is R&D; and | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| (xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs). | de minimus (10%) |

Federal Award Identification for Subrecipients (reference 2 CFR 200.331)**State Targeted Response (STR) - No Cost Extension (NCE)**

| | |
|---|---|
| (i) Subrecipient name (which must match the name associated with its unique entity identifier); | Kitsap County |
| (ii) Subrecipient's unique entity identifier; (DUNS) | 071855191 |
| (iii) Federal Award Identification Number (FAIN); | TI026803 |
| (iv) Federal Award Date (see §200.39 Federal award date); | April 14, 2019 |
| (v) Subaward Period of Performance Start and End Date; | 7/1/2019 through 4/30/2020 |
| (vi) Amount of Federal Funds Obligated by this action; | \$0 |
| (vii) Total Amount of Federal Funds Obligated to the subrecipient; | \$0 |
| (viii) Total Amount of the Federal Award; | \$1,082,939 (5/1/19 – 4/30/20) |
| (ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); | WA-STR addresses the Opiate Epidemic by increasing treatment and prevention activities |
| (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official, | SAMHSA WA State Health Care Authority Keri Waterland, Assistant Director DBHR 626 8th Ave SE; Olympia, WA 98504-5330 Keri.waterland@hca.wa.gov |
| (xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement; | 93.788 |
| (xii) Identification of whether the award is R&D; and | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| (xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs). | de minimus (10%) |

ATTACHMENT 9 - Award and Revenues

CONTRACTOR: Kitsap County CONTRACT NUMBER: K3923, Amendment 1

COUNTY: Kitsap COMMUNITY/COALITION: Bremerton Substance Abuse Prevention Coalition

The above named Contractor is hereby awarded the following amounts for the purposes listed.

| REVENUE SOURCE CODE: | TYPE OF SERVICE | AWARD AMOUNTS | | | SFY 22 | SFY23 | Total 22-23 |
|----------------------|--|---------------|-----------|-------------|--------|-------|-------------|
| | | SFY20 | SFY21 | Total 19-21 | | | |
| 333.99.59 | SABG Prevention (7.1.19-6.30.21) | \$81,209 | \$99,609 | \$180,818 | \$0 | \$0 | \$0 |
| 333.99.59 | SABG Prevention (7.1.19-6.30.21)-Admin | \$0 | \$1,600 | \$1,600 | \$0 | \$0 | \$0 |
| 334.04.6X | GF-State-Admin (for SABG Prevention) | \$7,061 | \$7,061 | \$14,122 | \$0 | \$0 | \$0 |
| 334.04.6X | DMA-Fund 315-State-Admin | \$1,738 | \$1,738 | \$3,476 | \$0 | \$0 | \$0 |
| 334.04.6X | DMA-Fund315-State-Direct costs | \$19,992 | \$19,992 | \$39,984 | \$0 | \$0 | \$0 |
| 333.92.43 | 2018 PFS-Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 3 FFY19 (9.30.20-9.29.21)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 3 FFY19 (9.30.20-9.29.21)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 4 FFY20 (9.30.21-9.29.22)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 4 FFY20 (9.30.21-9.29.22)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333.92.43 | 2013 PFS No Cost Extension (7.1.19-9.29.19)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2013 PFS No Cost Extension (7.1.19-9.29.19)-Direct Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2018 PFS Carryover (5.1.20-9.29.20)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2018 PFS Carryover (5.1.20-9.29.20)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333.37.88 | SOR-Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333.37.88 | SOR II-Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (9.30.20-9.29.21)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (9.30.20-9.29.21)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.21-9.29.22)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.21-9.29.22)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333.37.88 | SOR Supplemental-Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333.37.88 | STR No Cost Extension (7.1.19-4.30.20)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | STR No Cost Extension (7.1.19-4.30.20)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Total Federal Funds | \$81,209 | \$101,209 | \$182,418 | \$0 | \$0 | \$0 |
| | Total State Funds | \$28,791 | \$28,791 | \$57,582 | \$0 | \$0 | \$0 |
| | TOTAL ALL AWARDS | \$110,000 | \$130,000 | \$240,000 | \$0 | \$0 | \$0 |

CONTRACTOR: Kitsap County CONTRACT NUMBER: K3923, Amendment 1

COUNTY: Kitsap COMMUNITY/COALITION: North Kitsap Substance Abuse Coalition

The above named Contractor is hereby awarded the following amounts for the purposes listed.

| REVENUE SOURCE CODE: | TYPE OF SERVICE | AWARD AMOUNTS | | | SFY 22 | SFY23 | Total 22-23 |
|----------------------|---|---------------|-----------|------------------|--------|-------|-------------|
| | | SFY20 | SFY21 | Total 19-21 | | | |
| 333.99.59 | SABG Prevention (7.1.19-6.30.21) | \$81,209 | \$99,609 | \$180,818 | \$0 | \$0 | \$0 |
| 333.99.59 | SABG Prevention (7.1.19-6.30.21)-Admin | \$0 | \$1,600 | \$1,600 | \$0 | \$0 | \$0 |
| 334.04.6X | GF-State-Admin (for SABG Prevention) | \$7,061 | \$7,061 | \$14,122 | \$0 | \$0 | \$0 |
| 334.04.6X | DMA-Fund 315-State-Admin | \$1,738 | \$1,738 | \$3,476 | \$0 | \$0 | \$0 |
| 334.04.6X | DMA-Fund315-State-Direct costs | \$19,992 | \$19,992 | \$39,984 | \$0 | \$0 | \$0 |
| 333.92.43 | 2018 PFS-Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 3 FFY19 (9.30.20-9.29.21)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 3 FFY19 (9.30.20-9.29.21)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 4 FFY20 (9.30.21-9.29.22)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 4 FFY20 (9.30.21-9.29.22)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333.92.43 | 2013 PFS No Cost Extension (7.1.19-9.29.19)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2013 PFS No Cost Extension (7.1.19-9.29.19)-Direct Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2018 PFS Carryover (5.1.20-9.29.20)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2018 PFS Carryover (5.1.20-9.29.20)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333.37.88 | SOR-Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333.37.88 | SOR II-Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (9.30.20-9.29.21)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (9.30.20-9.29.21)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.21-9.29.22)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.21-9.29.22)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333.37.88 | SOR Supplemental-Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 1 FFY19 (7.1.19-9.29.19)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Year 2 FFY20 (9.30.19-9.29.20)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333.37.88 | STR No Cost Extension (7.1.19-4.30.20)-Admin | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | STR No Cost Extension (7.1.19-4.30.20)-Direct costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Total Federal Funds | \$81,209 | \$101,209 | \$182,418 | \$0 | \$0 | \$0 |
| | Total State Funds | \$28,791 | \$28,791 | \$57,582 | \$0 | \$0 | \$0 |
| | TOTAL ALL AWARDS | \$110,000 | \$130,000 | \$240,000 | \$0 | \$0 | \$0 |

Federal CFDA:

*All timelines include any associated admin.

Substance Abuse Block Grant (SABG), CFDA 93.959, Substance Abuse and Mental Health Services Administration (SAMHSA)

- Funding period(s): 7.1.19-6.30.21; Funds may be used in SFY 20 or 21 up to the total biennium award as indicated above.
- Final invoice due: 45 days after fund source end date on 8.14.2020 and 8.14.2021.

General Fund State (GF-S), Admin (for SABG Prevention)

- Funding period(s): 7.1.19-6.30.20 (SFY 20) and 7.1.20-6.30.21 (SFY 21); Funds must be used only in the SFY in which they are awarded as indicated above.
- Final invoice due: 45 days after fund source end date on 8.14.2020 and 8.14.2021.

Dedicated Marijuana Account (DMA) Fund 315 State

- Funding period(s): 7.1.19-6.30.20 (SFY20) and 7.1.20-6.30.21 (SFY 21); Funds must be used only in the SFY in which they are awarded as indicated above.
- Final invoice due: 45 days after fund source end date on 8.14.2020 and 8.14.2021.

2018 Partnerships for Success (PFS), CFDA 93.243, Substance Abuse and Mental Health Services Administration (SAMHSA)

- Year 1 funding period: 7.1.19-9.29.19; Year 2 funding period: 9.30.19-9.29.20; Year 3 funding period: 9.30.20-9.29.21; Year 4 funding period: 9.30.21-9.29.22.
- Funds must be used only in the FFY in which they are awarded as indicated above.
- Beginning 9.30.19, funds in year 2 may be used in SFY 20 or 21, until 9.29.20. Beginning 9.30.20, funds in year 3 may be used in SFY 21 or 22, until 9.29.22. Beginning 9.30.21, funds in year 4 may be used in SFY 22 or 23.
- Final invoice due: 45 days after fund source end date on 11.13.2019, 11.13.2020, 11.13.2021, or 11.13.2022.

2013 PFS, Partnerships for Success (PFS) No Cost Extension, CFDA 93.243, Substance Abuse and Mental Health Services Administration (SAMHSA)

- Funding period 7.1.19-9.29.19; Funds must be used in this time period.
- Final invoice due: 45 days after fund source end date on 11.13.2019 and 11.13.2020.

2018 Partnership for Success (PFS) Carryover, CFDA 93.243, Substance Abuse and Mental Health Services Administration (SAMHSA)

- Funding period 5.1.20-9.29.20. Funds must be used in this time period.
- Final invoice due: 45 days after fund source end date on 11.13.2020.

State Opioid Response (SOR), CFDA 93.788, Substance Abuse and Mental Health Services Administration (SAMHSA)

- Year 1 funding period: 7.1.19-9.29.19; Year 2 funding period: 9.30.19-9.29.20;
- Funds must be used in the FFY in which they are awarded, as indicated above.
- Beginning 9.30.19, funds in year 2 may be used in SFY 20 or SFY 21, until 9.29.20.
- Final invoice due: 45 days after fund source end date on 11.13.2019 and 11.13.2020.

State Opioid Response (SOR) II, CFDA 93.788, Substance Abuse and Mental Health Services Administration (SAMHSA)

- Year 1 funding period: 9.30.20-9.29.21; Year 2 funding period: 9.30.21-9.29.22.
- Funds must be used only in the FFY in which they are awarded as indicated above.
- Beginning 9.30.20, funds in year 2 may be used in SFY 21 or 22, until 9.29.21. Beginning 9.30.21, funds in year 3 may be used in SFY 22 or 23, until 9.29.22.
- Final invoice due: 45 days after fund source end date on 11.13.2021 or 11.13.2022.

State Opioid Response (SOR) Supplemental, CFDA 93.788, Substance Abuse and Mental Health Services Administration (SAMHSA)

- Year 1 funding period: 7.1.19-9.29.19; Year 2 funding period: 9.30.19-9.29.20;
- Funds must be used in the FFY in which they are awarded, as indicated above. Beginning 9.30.19, funds in year 2 may be used in SFY 20 or SFY 21, until 9.29.20.
- Final invoice due: 45 days after fund source end date on 11.13.2021 and 11.13.2020.

State Targeted Response (STR) to the Opioid Crisis No Cost Extension, CFDA 93.788, Substance Abuse and Mental Health Services Administration (SAMHSA)

- Funding period 5.1.19-4.30.20;
- Funds must be used in this time period.
- Final invoice due: 45 days after fund source end date on 6.14.2020.

ATTACHMENT 10 - Standards for Reimbursable Costs

1. Guiding Policies

The following Standards for Reimbursable Costs represents a compilation of definitions and principles from:

- i. State of Washington Office of Financial Management's State Administrative and Accounting Manual (SAAM)
- ii. Federal Office of Management and Budget
 - a. Circular A-122 Cost Principles for Non-Profit Organizations
 - b. Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments

These standards are provided solely as technical assistance and are not intended to circumvent the Contractor's need to follow the referenced rules.

2. Definitions

The following terms and phrases shall have the meanings indicated when used in this exhibit, except where the context clearly requires otherwise.

- i. "Acquisition cost" shall mean the net cost of equipment, including the costs for modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment useable for the purpose for which it was acquired.
- ii. "Arm's length transaction" shall mean a transaction resulting from good faith bargaining between a buyer and a seller, where the parties have adverse positions in the marketplace.
- iii. "Contractor or subcontractor property" shall mean property used in performance of a contract which is not departmental property.
- iv. "Cost" shall mean the historical amount of money involved in a transaction which decreases an asset or increases a liability, whether recognized on a cash or accrual basis. Cost shall not include repayments of borrowing, expenditures to acquire assets, distributions to owners, and corrections to prior periods. Corrections to prior periods are included as costs in that prior period.
- v. "Cost related or cost reimbursement" shall mean a contract or subcontract where the amount of payment being made is related to the actual costs of the subcontractor or a class of subcontractors to perform the contract, subject to ceilings, allowances, limitations and conditions adopted by the Department, but without regard to the method of payment.
- vi. "Cost related subcontractor" shall mean a subcontractor that has a cost related subcontract.
- vii. "Customary charge" shall mean the average charge for a similar service, activity or procedure for non- departmental clients or purchasers by providers whose training and experience is similar to the contractor or subcontractor and are located in the same area. The area considered in determining customary charge shall be as large as necessary to provide a reasonable measure of the market for such services, activities or procedures.
- viii. "Clients" shall mean individuals who receive or benefit from services or activities for which the contractor was reimbursed in part or entirely by HCA.
- ix. "Funds" shall mean any funds paid by HCA to a contractor, including funds passed through to subcontractors without regards to the source of those funds. HCA funds include federal funds which pass through HCA.

- x. "Property" shall mean property owned by HCA, and property for which title is vested in HCA.
- xi. "Equipment" means an article of non-expendable tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Items not meeting this definition shall not be classified as equipment. Purchase of equipment must be approved in advance by the contract manager.
- xii. "Fee for Service" shall mean a contract or subcontract where the amount of reimbursement is a negotiated fixed rate of pay based on performance of defined unit of service such as per treatment, per hour or per session.
- xiii. "Personal property" shall mean property of any kind except real property, either tangible or intangible.
- xiv. "Price related" shall mean a contract or subcontract where the amount of reimbursement is related to market prices for services, and without consideration of the contractor's or subcontractor's actual or anticipated costs.
- xv. "Real property" shall mean land, land improvements, structures, and appurtenances thereto, but excluding movable machinery and equipment.
- xvi. "Subcontract" shall mean any agreement for compensation between the contractor and a subcontractor, or between a subcontractor and another subcontractor, to provide property, services or construction needed in performance of the contract.
- xvii. "Subcontractor" shall mean any person, partnership, corporation, association or organization, not in the employment of the contractor, who has a subcontract agreement directly with the contractor or a subsequent tier subcontract agreement with an intermediate subcontractor
- xviii. "Supplies" shall mean tangible personal property other than equipment.
- xix. "Third party" shall mean an individual or organization other than the Department, the contractor, any subcontractor or any departmental client.
- xx. "Usual charge" shall mean the charge which the contractor or subcontractor most frequently charges non-HCA clients or purchasers for a similar service, activity or procedure.
- xxi. "Working capital" shall mean a fund balance accumulated and maintained for a period of more than twelve months, or remaining at the termination or expiration of a contract, which is not segregated in a reserve account and is used primarily to maintain the entity's cash flow.

3. Reimbursable Costs

- i. Reimbursable costs shall include costs which are necessary for the proper and efficient performance of the contract, are reasonable and allocable to the contract and are allowable under the provisions of this exhibit.
- ii. Reimbursable costs include costs incurred in paying subcontractors for fulfilling or assisting the contractor to fulfill the contractor's obligations to HCA.
 - a. If the subcontract is price related, the reimbursable cost of the subcontract shall be the share of payments to the subcontractor which equals the usual charge or the customary charge, whichever is less. If the subcontractor has only departmental clients, the reimbursable cost shall be the share of payments to the subcontractor which equal the customary charge.
 - b. If the subcontract is cost related, the reimbursable cost of the subcontract shall be the share of payments to the subcontractor for subcontractor costs which are necessary for the proper and

efficient performance of the contract, are reasonable and allocable to the subcontract and are allowable under the provisions of this exhibit. If the cost-related subcontractor is a for-profit entity, reimbursable costs may also include payments for ordinary profit, provided such profit is computed on a basis other than a percentage of contract costs. Costs used to determine subcontract payments may be either actual costs during the contract period or estimated costs for the contract period based on actual costs in a prior period, and may be either costs of the subcontractor or costs of a class or subclass of facilities providing similar services, activities or procedures.

- c. If the subcontract is fee for service, the reimbursable cost of the subcontract shall be the share of the payments based on an established rate structure set by laws, regulation or policy, or may be based on cost information provided by the contractor during a competitive solicitation or contract negotiations.

4. Reasonableness

- i. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent and reasonable person under circumstances prevailing at the time the decision was made to incur the cost.
- ii. In determining the reasonableness of a given cost, the following shall be given careful consideration:
 - a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the contractor or the performance of the contract.
 - b. Whether the cost was incurred after the contractor complied with sound business practices, including arm's length bargaining.
 - c. Whether the contractor acted with prudence in the circumstances considering its responsibilities to the organization, its members, employees, clients, the public at large, and the Department.
 - d. Whether the contractor deviated from established practices of the contractor, which may unjustifiably increase the cost.

5. Allocable Costs

- i. A cost is allocable to the contract if all of the following conditions are met:
 - a. It is assignable or chargeable to the contract in accordance with the relative benefit received because either:
 - 1. It was incurred specifically and solely for the performance of the contract; or
 - 2. It benefits both contract and non-contract objectives and can be distributed between them in reasonable proportion to the benefits received; or
 - 3. It is necessary for the overall operation of the contractor even if a direct relationship to the contract cannot be shown.
 - b. It is not allocable to or included as a cost of any other contract, grant, agreement or program in either the present or any prior period, or used as cost-sharing or matching for another contract or grant, except when the contract specifically authorizes such duplicate allocation.
 - c. It is accorded consistent treatment with costs of a similar nature.
- i. Contract-Specific Direct Costs: If a cost is allocable to the contract pursuant to subsection (l)(a)(i) of this section, the entire amount may be charged to the contract.
- ii. Shared Direct Costs: If a cost is allocable to the contract pursuant to subsection (l)(a)(ii) of this section, the charge shall be considered to be in reasonable proportion to the benefits received if the charge is based on time distribution records, random moment time samples, equivalent work units, or space utilization.

Other equitable methods may be used with the prior approval of the Department. Allocation of charges based on revenue distribution is not an acceptable method.

- iii. Admin (also known as Indirect Costs): If a cost is allocable to the contract pursuant to subsection (l)(a)(iii) of this section, the charge shall be considered to be in proportion to benefits received if it is based on the total distribution of costs allocated pursuant to subsections (2) and (3) of this section, or if it is based on staff time directly spent in contract and non-contract activities. Other equitable methods may be used with the prior, written approval of the Department.
- iv. Contractors and cost-related subcontractors shall maintain a current cost allocation plan describing how costs are allocated.
- v. HCA approvals required in subsections (3) and (4) of this section shall be obtained by submitting a cost allocation plan to the contract manager. The cost allocation plan shall identify the period of time covered by the plan, the cost items to be allocated, the allocation method, the program areas to which costs are allocated, and the resulting allocations using budgeted costs. Copies of indirect cost allocation plans submitted for federal grant purposes may be used to apply for HCA approval under subsection (4) of this section.

6. Allowable Costs

A cost is allowable if:

- i. It is authorized or not prohibited by federal, state, or local laws and regulations.
- ii. It conforms to any limitations or exclusions set forth in the contract terms and approved budget, or in applicable state or federal law or regulation.
- iii. It is approved in advance and in writing by HCA, if it is a cost requiring approval.
- iv. It is not an unallowable cost.
- v. It is consistent with policies, regulations, directives, and procedures of the contractor.
- vi. It is accorded consistent treatment through application of generally accepted accounting principles.
- vii. It is adequately documented in source records such as payroll registers and invoices.
- viii. It is the net of all applicable credits, such as purchase discounts, rebates, and allowances.

7. Costs Allowable with Prior Approval

Costs described in this section are allowable only if they are approved in advance by HCA. Approval shall be deemed given if the cost is specifically identified in the contract budget or other clause or attachment to the contract. Approval of costs not specifically identified in the contract shall be made by letter or other document which sets forth the nature and amount of the approved cost and the contract for which it is allowed.

- i. Client cash payments: Any direct cash payments to departmental clients are allowable only with prior written approval of HCA.
- ii. Capital expenditures: Cost of acquiring by purchase or capitalized lease land, buildings, or equipment and cost of repair, remodeling, renovation, or improvements which would materially increase the value or useful life of buildings are allowable only with the prior written approval of the Department.
- iii. Honorariums for speakers is unallowable.
- iv. Incentives: SAMHSA discretionary grant funds may be used for non-cash incentives up to \$30 in accordance with SAMHSA guidelines: <https://www.samhsa.gov/grants/grants-management/policies-regulations/additional-directives>.

- v. Training and education: Cost of training which requires staff to be relieved of regular duties for more than ten (10) business days per training event is allowable only upon prior written approval of the Department.
- vi. Purchase of equipment must be approved in advance by the contract manager. Title to equipment shall vest in the HCA unless otherwise determined by the contract manager at the time of purchase.

8. Interest Expense

- i. Interest on borrowed funds is treated differently depending on the source of funds reimbursing the cost.
 - a. Costs incurred for interest on borrowed capital or temporary use of endowment funds, however represented, are unallowable as reimbursable costs against a federal grant.
 - b. Interest on borrowed funds is allowable against state funding if the interest expense meets the applicable requirements of this section.
- ii. Interest on borrowed funds used to purchase equipment or real property is allowable against state funding with the prior written approval of HCA.
- iii. Interest on borrowed funds used to create, replenish, or maintain working capital is allowable against state funding, if the following conditions are met:
 - a. Working capital is depleted due to unusual cash flow, such as abnormally high costs or delays in reimbursement; or working capital has been insufficient for an extended period of time, because the contractor or subcontractor has insufficient eligible income in excess of expenses to accumulate adequate working capital.
 - b. The borrowed funds are not used to supplant funds which otherwise would be available to finance working capital. Borrowed funds shall be considered to supplant contractor working capital if a decision to deplete working capital is evident, whether the working capital is depleted before or after the arrangements to borrow funds are made.
 - c. The working capital in aggregate does not exceed ninety (90) calendar days cash flow.
 - d. The interest expense is approved in advance and in writing by HCA.
- iv. Approval shall be deemed given if the interest cost is specifically identified in the contract budget or other clause or attachment to the contract. Approval of interest cost not specifically identified in the contract shall be made by letter or other document which sets forth the nature and amount of the approved cost and the contract under which it is allowed.

9. Unallowable Costs

The following costs are unallowable, whether incurred directly by the contractor or any cost related subcontractor:

- i. Bad debts: Any losses arising from uncollectible accounts and other claims and related costs are unallowable. In double entry accounting systems, write-offs of client fees deemed uncollectible shall be treated as adjustments to revenue.
- ii. Chief executive: The salaries and expenses of the chief executive of a political subdivision are unallowable.
- iii. Contingencies: Contributions to a contingency reserve or any similar provision for unforeseen events.
- iv. Contributions and donations: Costs of a contractor or subcontractor in the form of contributions and donations to other organizations, including costs of donated services and property, are unallowable.
- v. Depreciation of state financed property: Costs of depreciation of departmental property are unallowable.
- vi. Entertainment: Costs of amusements, social activities, sporting events, and incidental costs relating thereto such as meals, beverages, lodging, rentals, transportation, and gratuities are unallowable, except

for costs of entertainment specifically for departmental clients and necessary expenses of staff who supervise departmental clients on contractor or subcontractor sponsored activities.

- vii. Fines and penalties: Costs resulting from violations of or failure to comply with federal, state, and local laws and regulations are unallowable.
- viii. First class air accommodations: The difference in cost between first class air accommodations and less-than-first class air accommodations is unallowable, except when less-than-first class air accommodations are not reasonably available.
- ix. Fund raising: Costs of organized fund raising are unallowable.
- x. Legal fees to bring suit against federal or state government: The cost of legal expenses for the prosecution or defense of claims by or against the federal or state government is unallowable.
- xi. Legislative expenses: The salaries and other expenses of county councilmen or councilwomen, supervisors, commissioners, etc., whether incurred for the purposes of the legislation or executive direction, are unallowable.
- xii. Lobbying expenses: The cost of attempting to influence legislation pending before any federal or state legislative body is unallowable except as provided for in RCW 42.17.190.
- xiii. Losses: Costs of actual losses which could have been covered either by insurance or by contributions to a self-insurance reserve are unallowable, except for losses not covered under nominal deductible insurance coverage and minor losses not covered by insurance which occur in the ordinary course of operations, such as spoilage and breakage.
- xiv. Memberships:
 - a. Costs of the [non-Federal entity](#)'s membership in business, technical, and professional organizations are allowable.
 - b. Costs of the [non-Federal entity](#)'s subscriptions to business, professional, and technical periodicals are allowable.
 - c. Costs of membership in any civic or community organization are allowable with prior approval by the [Federal awarding agency](#) or [pass-through entity](#).
 - d. Costs of membership in any country club or social or dining club or organization are unallowable.
 - e. Costs of membership in organizations whose primary purpose is lobbying are unallowable. See also [§ 200.450](#) Lobbying.
- i. Under-recovery of costs in other contract agreements: Any costs incurred in excess of the federal and state contribution under any other contract agreement is unallowable.

10. Unallowable Costs; Federal Alcohol, Drug Abuse, and Mental Health Services Block Grant

- i. Unless an explicit and specific federal waiver is obtained, the following costs are unallowable under any contract which includes federal alcohol, drug abuse and mental health services block grant funds:
 - a. Costs of hospital inpatient services;
 - b. Cash payments to departmental clients;
 - c. Cost of purchase or permanent improvement of land or facilities, other than minor remodeling;
 - d. Cost of purchase of major medical equipment, with an acquisition cost in excess of \$5,000;
 - e. Costs used as cost-sharing or matching for other federal funds requiring nonfederal matching funds;
 - f. Costs of financial assistance to any entity which is not either public or nonprofit; or

- g. Costs that in effect supplant or otherwise reduce the amount of state or local funds that would have been used for alcoholism, drug abuse or mental health programs in the absence of federal block grant funding. For the purposes of this section, supplantation shall be deemed to occur if the amount of state or local funds used is less than the amount expended during federal fiscal year ending September 30, 1981.
 - h. Carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug or distributing bleach for the purpose of cleansing needles for such hypodermic injection.
 - i. Carry out any testing for the etiologic agent for acquired immune deficiency syndrome (AIDS), unless such testing is accompanied by appropriate pre-test counseling and appropriate post-test counseling.
 - j. EXCESS SALARY: By law, none of the funds awarded can be used to pay salary of an individual at a rate in excess of the Executive Level I, which is \$181,100 annually.
 - k. Youth tobacco enforcement.
- ii. The use of federal funds to influence or attempt to influence the award of, or amendment to, any federal contract, grant, loan, or cooperative agreement is prohibited.
- a. The use of funds other than federal funds for such purposes shall require the contractor to submit all required federal and state forms disclosing such lobbying activity.
 - b. The contractor must include this language in any contracts resulting from this agreement and that all subrecipients understand and agree to these terms.
- iii. Costs that are unallowable under subsection (1) of this section are allowable using state funds if all of the following conditions are met:
- a. The contract includes state funds at least equal to the total amount of all items of cost under consideration;
 - b. If the costs are incurred by a subcontractor, the subcontract document clearly indicates only state funds are included in the subcontract; and
 - c. The cost is otherwise allowed.

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