APPENDIX B

STATEMENT OF AGREEMENT
THE DEPARTMENT OF SERVICES FOR CHILDREN, YOUTH AND THEIR FAMILIES

WHEREAS, the DEPARTMENT has determined that:

The services described herein are required by the DEPARTMENT;

The CONTRACTOR possesses the necessary experience and skills and is equipped to efficiently and effectively perform any duties and assignments required to provide such services;

The CONTRACTOR is willing to provide such services and has provided a proposed budget or unit cost schedule for these services;

The CONTRACTOR's proposal and budget or unit cost schedule are acceptable;

NOW, WHEREFORE, in consideration of the foregoing recitals and mutual covenants contained herein, the PARTIES do hereby agree to the following:

ARTICLE I: DUTIES OF THE PARTIES

A. **Duties of the DEPARTMENT**

The DEPARTMENT shall:

1. Contract Manager. Identify a Contract Manager who shall be the primary program liaison with the CONTRACTOR on behalf of the DEPARTMENT.
2. Operating Guidelines. Provide the CONTRACTOR with the policies, reimbursement and operating guidelines, and any other written documentation held or developed by the DEPARTMENT that the CONTRACTOR may reasonably request in order to perform its duties hereunder.

B. **Duties of the CONTRACTOR**

The CONTRACTOR shall:

1. Contract Manager. Identify a Contract Manager who shall be the primary contact with the DEPARTMENT on behalf of the CONTRACTOR for this Contract.
2. Program of Services (and/or Products). Provide the program of services (and/or products) as set forth in Attachment A, Description of Services, which is made a part of this Contract. The program operated by the CONTRACTOR pursuant to this Contract must satisfy all mandatory State and Federal requirements. In providing said services under this Contract the CONTRACTOR agrees to conform to service eligibility priorities established by the DEPARTMENT.
3. Satisfy Licensure, Certification, and Accreditation Standards. Comply with all applicable State and Federal licensing standards and all other applicable standards as required by this Contract, to assure the quality of services provided under this Contract.
   a. Compliance with Operating Guidelines. The CONTRACTOR agrees to abide by the DEPARTMENT's Operating Guidelines and to operate in accordance with the procedures delineated therein. (see www.kids.delaware.gov scroll and click on "Contracts")
   b. Notification of Status Change. The CONTRACTOR shall immediately notify the DEPARTMENT in writing of any change in the status of any accreditations, regulations, professional, program or other licenses or certifications in any jurisdiction in which they provide services or conduct business. If this change in status is the result of the CONTRACTOR's accreditation, licensure, or certification being suspended, revoked, or otherwise impaired in any jurisdiction, the CONTRACTOR understands that such change may be grounds for termination of the Contract. CONTRACTOR shall notify the DEPARTMENT of any criminal charges against or criminal investigations of CONTRACTOR.
   c. By signature on this contract, the CONTRACTOR represents that the CONTRACTOR and/or its Principals, along with its subcontractors and/or assignees under this contract, are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded for procurement or non-procurement activities by any Federal government department or agency.
4. Compliance with Laws and Regulations. Be responsible for full, current, and detailed knowledge of and compliance with published Federal and State laws, regulations, and guidelines (ie, Health Insurance Portability and Accountability Act (HIPAA) of 1996) pertinent to discharging the CONTRACTOR's duties and responsibilities hereunder.
   a. Compliance with Drug-Free Work Place Act of 1988. If applicable, the CONTRACTOR agrees to comply with all the terms, requirements, and provisions of the Drug-Free Work Place Act of 1988 as detailed in the Governor's Certification Regarding Drug-Free Work Place Requirements that is available from the DEPARTMENT upon request.

5. Assistance with Federal Entitlement Revenue Maximization. In entering into this contract, the CONTRACTOR understands that, as a provider of services to children, they may be subject to the requirements of various Federal entitlement programs included in the Department's Cost Recovery initiative. The CONTRACTOR agrees to assist the department in its efforts to recover Federal funds by providing such information as enumerated below:
    a. Proof of licensure, certification, accreditation, etc. or other information as may be necessary to support enrollment in the Delaware's Medical Assistance Program.
    b. If applicable, a list of the usual and customary charges charged to other purchasers of service or third party insurance payors for the same type(s) of service purchased by the DEPARTMENT.
    c. If enrolled in the Medicaid program of another state or the Federal Medicare program: the rates paid by those programs for the type(s) of service purchased by the DEPARTMENT, and notification of any current or prior sanctions or requests or pending requests for sanctions by the Centers for Medicare and Medicaid Services (CMSS), U.S. DHHS.
    d. Identification of the proportion of any expenses, whether unit cost or cost reimbursable, charged to the DEPARTMENT that cover the cost of educational services (i.e. teacher salaries, textbooks, etc.).
    e. If the CONTRACTOR is a non-accredited provider of residential mental health or behavioral rehabilitative services, the CONTRACTOR shall cooperate with the DEPARTMENT in identifying the proportion of expense incurred by the DEPARTMENT that may be covered by the Medicaid or Title IV-E (room and board) programs.
    f. Documentation related to substantiating the provision of services to individual children.
6. Confidentiality. Establish appropriate restrictions and safeguards against access by unauthorized personnel to all data and records. Confidentiality of all data, records, and information obtained by the CONTRACTOR shall be governed by Federal and State statutes and regulations, and DEPARTMENT policy.
7. Cooperation with Third Parties. Cooperate fully with any other party, contractor, consultant, or agency identified by the DEPARTMENT in writing as necessary to the performance of this Contract.
8. Independent Contractor Status. Recognize that it is operating as an independent contractor and that it solely is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or damage to any and all property, of any nature, arising out of the CONTRACTOR's negligent performance under this Contract, and particularly without limiting the foregoing, caused by, or resulting from, or arising out of any act or omission on the part of the CONTRACTOR in its negligent performance under this Contract. The CONTRACTOR agrees to save, hold harmless and defend the DEPARTMENT from any liability that may arise as a result of the CONTRACTOR's negligent performance under this Contract.
9. Insurance. Recognize that it can either elect to be self-insured or to carry professional liability insurance to deal with the above-described liability; provided, however, that proof of sufficient insurance or proof of sufficient assets for self-insurance may be required by the DEPARTMENT, upon request at any time, as a condition of this Contract.
10. Grievances. Establish a system through which recipients of services under this Contract may present grievances about said services or the operation of the service program. The CONTRACTOR shall advise recipients of this right and shall also advise applicants and recipients of their right to appeal the grievance to the DEPARTMENT.
11. Best Efforts for Supplies and Materials at Lowest Cost. The CONTRACTOR shall use its best efforts to obtain all supplies and materials incidental for use in the performance of this Contract at the lowest practicable cost and to contain its total costs where possible by competitive bidding whenever practical.
12. Ownership. Ownership of all intellectual property, copyright, trademark, patent, film and work products resulting from work performed as part of this contract is exclusively retained by the DEPARTMENT.

C. **Duties of Both PARTIES**

1. Communication. Formal communication concerning the Contract, program activities, treatment methods, reports, etc., shall be made via written correspondence between the Contract Managers of both PARTIES. Communications of a contractual nature shall be accomplished via written correspondence between designated officials of both PARTIES. Each PARTY shall designate, in writing, its authorized official representative to the other PARTY prior to the effective date of the Contract. Each PARTY shall notify the other, in writing, of any change of their official representative.

ARTICLE II: PAYMENT

A. Contract Subject to Availability of Funds. This Contract is entered into subject to the availability of funds for the services covered by the Contract. In the event funding to the DEPARTMENT is not available or continued at an aggregate level sufficient to allow for purchase of the indicated quantity of agreed upon services, the obligations of each PARTY under this Contract shall thereupon be terminated. Any termination of this Contract resulting therefrom shall be without prejudice to any and all obligations and liabilities of either PARTY already accrued prior to such termination.

B. Reimbursement Amount. The DEPARTMENT agrees to pay the CONTRACTOR as described in Attachment B.

C. Requirement of Purchase Order. This Contract is subject to the CONTRACTOR's receipt of a Purchase Order, approved by the Department of Finance. The State of Delaware shall not be liable for expenditures made or services delivered prior to the CONTRACTOR's receipt of the Purchase Order.

D. Withholding of Payments to the Contractor. The DEPARTMENT may throughout the contract period withhold payment for failure to provide goods or perform services as specified under this contract. The DEPARTMENT has a right to recovery and a right to withhold payment in the event of the CONTRACTOR's failure to deliver services or complete necessary records or deliverables. In the event of CONTRACTOR failure in the regular course of business and normal periodic billing to timely and adequately provide record documentation of services provided under this Contract, the DEPARTMENT may withhold the final amount of a billing or the specified portion of billing relating to such services until such adequate record documentation is received by the DEPARTMENT, provided that such documentation is received within a reasonable time following normal periodic billing and record documentation in the regular course of business for the services provided. In no event however shall the Department be liable for services provided for which a) the CONTRACTOR has not provided timely and adequate record documentation during the regular course of business and periodic billing, and b) the DEPARTMENT has thereafter reasonably requested or demanded adequate record documentation or billing for any services provided for a period of time at issue, and c) the CONTRACTOR has thereafter unreasonably delayed in providing billing or record documentation following such a request or demand for record documentation or billing.

ARTICLE III: ANTI-DISCRIMINATION

A. Equal Employment Opportunity Practices. The CONTRACTOR agrees to comply with all the terms, provisions, and requirements of Title VII of the Civil Rights Act of 1964, Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in U.S. Department of Labor regulations and any other applicable Federal, state , local, or other equal employment opportunity act, law, statute, regulation and policy, along with all amendments and revisions of these laws, in the performance of this Contract.

B. Non-Discrimination Provisions and Requirements. The CONTRACTOR agrees to comply with all the terms, requirements, and provisions of Titles VI and VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, and any other applicable Federal, State, local, or other anti-discriminatory act, law, statute, regulation, or policy, along with all amendments and revisions of these laws, in the performance of this Contract, and the CONTRACTOR agrees not to discriminate against any employee or applicant for employment because of race, creed or religion, age, sex, color, national or ethnic origin, disability, or upon any other discriminatory basis or criteria.

ARTICLE IV: TERMINATION

A. Condition of Termination. This Contract may be terminated by: (1) The DEPARTMENT for any unsatisfactory performance of this Contract documented by the DEPARTMENT, including, but not limited to, failure of the CONTRACTOR to deliver satisfactory products or services, as specified, in a timely fashion, or (2) The DEPARTMENT or the CONTRACTOR for violation of any term or condition of this Contract upon thirty (30) days written notice to the other PARTY, or (3) The DEPARTMENT or the CONTRACTOR as a result of loss or reduction of funding for the stated services as described in Attachment A (Description of Services), effective immediately as provided by Article II.A of this Contract.

B. Rights Upon Termination. In the event this Contract is terminated for any reason, the DEPARTMENT shall retain without cost ownership of all case records maintained by the CONTRACTOR in the execution of its duties hereunder. Upon written request from the DEPARTMENT, said CONTRACTOR shall provide copies of all case records within fifteen (15) days of receipt of the termination notice. In the event the CONTRACTOR fails to provide such records in a timely manner, the CONTRACTOR shall reimburse the DEPARTMENT for any legal or administrative costs associated with obtaining such records. Any service expenditure, specified under this Contract, incurred prior to the date of termination shall be authorized and paid for in accordance with the terms of the Contract even though payment occurs subsequent to the termination date.

ARTICLE V: ADMINISTRATIVE PROCEDURES

A. Amendment, Modification and Waiver.
   1. Procedure for Amendment. This Contract may be amended by written agreement duly executed by authorized officials of both PARTIES. No alteration, variation, modification or waiver of the terms and provisions of this Contract shall be valid unless made in writing and duly signed by the PARTIES. Every amendment shall specify the date on which its term and provision shall be effective.
   2. Nullification. In the event of amendments to current Federal or State of Delaware laws that nullify any term or provision of this Contract, the remainder of the Contract will remain unaffected.
   3. Waiver of Default. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of this Contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Contract unless stated to be such in writing, signed by an authorized representative of the DEPARTMENT and attached to the original Contract.

B. Notice Between the Parties. Any notice required or permitted under this Contract shall be effective upon receipt and may be hand delivered with receipt requested and granted or by registered or certified mail with return receipt requested. Either PARTY may change its address for notices and official formal correspondence upon five (5) days' written notice to the other.

C. Coordination with Federal Funding. The CONTRACTOR certifies that any Federal funds to be used under this Contract do not replace or supplant State of Delaware or local funds for already-existing services. The CONTRACTOR warrants that any costs incurred pursuant to this Contract will not be allocable to or included as a cost of any other Federally financed program in the current, a prior, or a subsequent period. The CONTRACTOR further certifies that the services to be provided under this Contract are not already available without cost to persons eligible for social services under the Public Assistance Titles of the Social Security Act. In the event the DEPARTMENT will utilize Federal funds as all or part of the compensation agreed to hereunder, the CONTRACTOR shall execute the US Department of Health and Human Services Certification Regarding Lobbying required by section 1352, title 31 U.S. Code.

D. Subcontracts. The CONTRACTOR shall not enter into any subcontract for any portion of the services covered by this Contract, except with the prior written approval of the DEPARTMENT, which shall not be unreasonably withheld. The requirements of this paragraph do not extend to the purchase of articles, supplies, equipment, and other day-to-day operational expenses in support of staff providing the services covered by this Contract. No provision of this paragraph and no such approval by the DEPARTMENT of any subcontract shall be deemed in any event or in any manner to provide for the incurrence of any obligation by the DEPARTMENT in addition to the total agreed upon cost under this Contract. For the purpose of this Agreement, licensed independent professionals including, but not limited to, physicians, psychologists, social workers and counselors shall not be considered "subcontractors" as that term is used in this paragraph.

E. Non-Assignability. The CONTRACTOR shall not assign the contract or any portion thereof without prior written approval of the DEPARTMENT and subject to such conditions and provisions as the DEPARTMENT may deem necessary. No such approval by the DEPARTMENT of any assignment shall be deemed to provide for the incurrence of any obligations of the DEPARTMENT in addition to the total agreed upon price of the Contract.

F. Interpretation.
1. Third Party Beneficiary Exclusion. This Contract is executed solely for the mutual benefit of the PARTIES. It is the express intention of the PARTIES that no provision of this Contract should be interpreted to convey any rights or benefits to any third party.
2. Choice of Law. This Contract shall be interpreted and any disputes resolved according to the laws of the State of Delaware. The CONTRACTOR agrees to be bound by the laws of the State of Delaware and to bring any legal proceedings arising hereunder in a court of the State of Delaware. For the purpose of Federal jurisdiction, in any action in which the State of Delaware or the DEPARTMENT is a party, venue shall be in the United States District Court for the State of Delaware.
3. Headings. The article, section and paragraph headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

G. Qualifications to Conduct Business. (Not applicable for Contracts with other Delaware State Agencies or Delaware Municipalities.)
1. Qualification to Provide Service. The CONTRACTOR warrants that it is qualified to do business in Delaware or the state in which services under this Contract shall be provided, and is not prohibited by its articles of incorporation, bylaws, or the law under which it is incorporated from performing the services required under this Contract.
2. Documentation of Business Status. The CONTRACTOR shall submit to the Contract Manager copies of all licenses, accreditations, certifications, sanctions, and any other documents that may reasonably be required as specified by the DEPARTMENT. If the CONTRACTOR conducts business in Delaware, the CONTRACTOR must possess a valid Delaware Business License, obtainable from the State of Delaware Division of Revenue. The CONTRACTOR shall submit a copy of the license at the time of signature of the Contract; provided, however, that if the CONTRACTOR is a non-profit organization, the CONTRACTOR shall instead submit, at the time of signature of the Contract, written approval from the U.S. Internal Revenue Service of this non-profit status.
3. Change in Business Status. The CONTRACTOR shall promptly notify the DEPARTMENT of any change in its ownership, business address, corporate status, and any other occurrence or anticipated occurrence that could materially impair the qualifications or ability of the CONTRACTOR to conduct business under this Contract.
4. Suspension/Exclusion from Medicaid/Medicare. If the CONTRACTOR is suspended or excluded from participation in the Medicaid Assistance Program of the State of Delaware or another state or from the Medicare Program, or charged with sanctions or violation of such programs, the CONTRACTOR shall promptly notify the DEPARTMENT in writing of such charges, sanctions, violations, suspension or exclusion. CONTRACTOR agrees such suspension, exclusion, violations, sanctions, or charges may, at the DEPARTMENT's discretion, be deemed a material breach of this Contract and good cause for immediate termination of this Contract, and the DEPARTMENT shall not be liable for any services provided after the date of such termination.

H. Records and Audits.

1. Maintenance. The CONTRACTOR shall maintain books, records, documents, and other evidence pertaining to this Contract to the extent and in such detail as shall adequately document the provision of reimbursed services for purposes of programmatic or financial audit. The CONTRACTOR agrees to maintain specific program records and statistics as may be reasonably required by the DEPARTMENT. The CONTRACTOR agrees to preserve and, upon request, make available to the DEPARTMENT such records for a period of five (5) years from the date services were rendered by the CONTRACTOR. Records involving matters in litigation shall be retained for five years or one (1) year following the termination of such litigation (whichever is later).
2. Availability for Audits and Program Review. The CONTRACTOR agrees to make such records available for inspection, audit, or reproduction to any official State of Delaware representative in the performance of his/her duties under the Contract. The CONTRACTOR agrees that an on-site program review, including, but not limited to, review of service records and review of service policy and procedural issuances may be conducted at any reasonable time, with or without notice, by the DEPARTMENT when it is concerned with or about the services performed hereunder. Failure by the CONTRACTOR to accord the DEPARTMENT reasonable and timely access for on or off-site program review or to necessary records for programmatic or organizational audit may, at the DEPARTMENT'S discretion, be deemed a material breach of this Contract and good cause for immediate termination of this Contract, and the DEPARTMENT shall not be liable for any services provided after the date of such termination.
3. Costs Owing. The cost of any Contract audit disallowances resulting from the examination of the CONTRACTOR's financial records will be borne by the CONTRACTOR. Reimbursement to the DEPARTMENT for disallowances shall be drawn from the CONTRACTOR's own resources and not charged to Contract costs or cost pools indirectly charging Contract costs.
4. Contract Termination. The CONTRACTOR shall maintain program records for a period of five (5) years from the date services were rendered by the CONTRACTOR and shall make these records available on request by the DEPARTMENT, notwithstanding any termination of this Contract.

I. Assignment of Causes of Action Relating to Antitrust Laws. In the event the CONTRACTOR is successful in an action under the antitrust laws of the United States and/or the State of Delaware against a vendor, supplier, subcontractor, or other party who produces particular goods or services to the CONTRACTOR that impact on the budget for this Contract, the CONTRACTOR agrees to reimburse the DEPARTMENT the pro rata portion of the damages awarded that are attributable to the goods and/or services used by the CONTRACTOR to fulfill the requirements of this Contract. In the event the CONTRACTOR refuses or neglects after reasonable notice by the DEPARTMENT to bring such antitrust action, the CONTRACTOR will be deemed to assign such action to the DEPARTMENT.