STATE OF DELAWARE

DELAWARE HEALTH
AND SOCIAL SERVICES
Division of Management Services
1901 N. DuPont Highway
New Castle, DE 19720

REQUEST FOR PROPOSAL NO. HSS -11-017

FOR

**Strategic Prevention Framework – State Incentive Grant:
Community Based Substance Abuse Prevention Services
For Youth and Adults – Implementation Grant**

FOR

**DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH
1901 N. DUPONT HIGHWAY
NEW CASTLE, DE 19720**

AND

Deposit	Waived
Performance Bond	Waived

**Date Due: March 7, 2011
12:00 P.M. LOCAL TIME**

A **mandatory pre-bid meeting** will be held on **Thursday, January 20, 2011 at 1:00 p. m.** at **Herman Holloway Campus, 1901 N. Dupont Highway, 23 Mitchell Lane, Springer Building, Gym, New Castle, DE 19720. "All Bidders Who Wish To Bid on This Proposal Must Be Present, On Time, At The Mandatory Pre-Bid Meeting. No Proposals Will Be Accepted From Bidders Who Either Did Not Attend The Mandatory Pre-Bid Meeting Or Who Are More Than Fifteen (15) Minutes Late. Due to space limitations bidders should RSVP by calling (302) 255-9290.**

REQUEST FOR PROPOSAL # HSS 11-017

Proposals for Provision **Strategic Prevention Framework – State Incentive Grant: Community Based Substance Abuse Prevention Services For Youth and Adults – Implementation Grant** for the DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH 1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 will be **received** by:

Bruce Krug
Delaware Health and Social Services
Herman M. Holloway Sr. Campus
Procurement Branch
Main Administration Bldg, Sullivan Street
Second Floor, Room #257
1901 North DuPont Highway, New Castle, Delaware 19720

Proposals will be accepted until **Monday, March 7, 2011 at 12:00 p.m.** At which time the proposals will be opened and read.

A **mandatory pre-bid meeting** will be held on **Thursday, January 20, 2011** at **1:00 p.m. Herman Holloway Campus, 1901 N. Dupont Highway, 23 Mitchell Lane, Springer Building, Gym, New Castle, DE 19720.** For further information please call 302-255-9290.

"All Bidders Who Wish To Bid On This Proposal Must Be Present, On Time, At The Mandatory Pre-Bid Meeting. No Proposals Will Be Accepted From Bidders Who Either Did Not Attend The Mandatory Pre-Bid Meeting Or Who Are More Than Fifteen (15) Minutes Late."

In the event that state offices are closed on the day of the pre-bid meeting due to a State of Emergency declared by the Governor of Delaware, the pre-bid meeting will be cancelled or postponed. The status of the pre-bid meeting will be posted to the RFP website as soon as possible at http://bids.delaware.gov. If the pre-bid meeting is cancelled, written questions will be accepted, in lieu of the pre-bid meeting, in accordance with the instructions presented on Page 7 of this document. If the pre-bid meeting is postponed, the new date and time will be posted to the RFP website.

Obtaining Copies of the RFP

This RFP is available in electronic form [only] through the State of Delaware Procurement Website at http://bids.delaware.gov.

Public Notice

Public notice has been provided in accordance with 29 *Del. C.* § 6981

NOTIFICATION TO BIDDERS

Bidder shall list all contracts awarded to it or its predecessor firm(s) by the State of Delaware; during the last three years, by State Department, Division, Contact Person (with address/phone number), period of performance and amount. The Evaluation/Selection Review Committee will consider these Additional references and may contact each of these sources. Information regarding bidder performance gathered from these sources may be included in the Committee's deliberations and factored in the final scoring of the bid. Failure to list any contract as required by this paragraph may be grounds for immediate rejection of the bid."

There will be a ninety (90) day period during which the agency may extend the contract period for renewal if needed.

If a bidder wishes to request a debriefing, they must submit a formal letter to the Procurement Administrator, Delaware Health and Social Services, Main Administration Building, Sullivan Street, 1901 North DuPont Highway, Herman M. Holloway Sr., Health and Social Services Campus, New Castle, Delaware 19720, within ten (10) days after receipt of "Notice of Award". The letter must specify reasons for the request.

IMPORTANT: ALL PROPOSALS MUST HAVE RFP NUMBER (**HSS 11-017**) ON THE OUTSIDE ENVELOPE. IF THIS NUMBER IS OMITTED YOUR PROPOSAL WILL IMMEDIATELY BE REJECTED.

FOR FURTHER BIDDING INFORMATION PLEASE CONTACT:

BRUCE KRUG
DELAWARE HEALTH AND SOCIAL SERVICES
PROCUREMENT BRANCH
MAIN ADMIN BLD, SULLIVAN STREET
2ND FLOOR –ROOM #257
1901 NORTH DUPONT HIGHWAY
HERMAN M. HOLLOWAY SR. HEALTH AND
SOCIAL SERVICES CAMPUS
NEW CASTLE, DELAWARE 19720
PHONE: (302) 255-9290

IMPORTANT: DELIVERY INSTRUCTIONS

IT IS THE RESPONSIBILITY OF THE BIDDER TO ENSURE THAT THE PROPOSAL HAS BEEN RECEIVED BY THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES BY THE DEADLINE.

ATTENTION BIDDERS: Your proposal must include a cover letter and the forms in Appendices B, C, D ,E and F signed and with all information on the forms complete.

The issuance of this Request for Proposals (RFP) neither commits the Delaware Department of Health and Social Services, Division of Substance Abuse and Mental Health , to award a contract, to pay any costs incurred in the preparation of a proposal or subsequent negotiations, nor to procure or contract for the proposed services. The Division reserves the right to reject or accept any or all proposals or portion thereof, to cancel in part or in its entirety this Request for Proposals, or to delay implementation of any contract which may result, as may be necessary to meet the Department's funding limitations and processing constraints. The Department and Division reserve the right to terminate any contractual agreement with fifteen (15) days notice in the event that the State determines that State or Federal funds are no longer available to continue the contract.

Organizations Ineligible to Bid

Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.

REQUEST FOR PROPOSAL FOR
STRATEGIC PREVENTION FRAMEWORK – STATE INCENTIVE GRANT:
COMMUNITY BASED SUBSTANCE ABUSE PREVENTION SERVICES
FOR YOUTH AND ADULTS - IMPLEMENTATON GRANT

FOR

DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH

Availability of Funds

Funds are available for the selected vendor to provide services in the area of Strategic Prevention Framework – State Incentive Grant (SPF-SIG): Community Based Substance Abuse Prevention Services for Youth and Adults.

NOTE TO BIDDERS

There are two (2) active RFP's for the Strategic Prevention Framework State-Incentive Grant (SFP-SIG). Applicants should review this RFP (HSS-11-017) and RFP HSS-11-016 as organization may be eligible to apply for either, But may not receive an award for both.

Applicant may are eligible to apply for **either** Planning or Implementation Grant. Applicants may **not** apply for both grants.

Implementation Grants will provide primary prevention in the four sub state planning regions (the City of Wilmington, the remainder of New Castle County, Kent County, and Sussex County) or statewide.

DSAMH may fund a maximum of four (4) Implementation Grants. Implementation Grants shall not exceed $200,000. If sub-state planning regions do not submit sufficient Implementation Grant applications, funds will be distributed equitably to other regions demonstrating need contingent upon DSAMH's competitive RFP process.

Applicants must clearly describe geographic area(s) to be served and proposed program locations of primary prevention services.

Proposals will be scored and funded based on incidence rates of indicated SPF-SIG priority and by existing or developable capacity to address the problem. The Division is particularly interested in applications that propose to provide services in those geographic areas of high risk that are identified in the Epidemiological Profile (which can be accessed at www.udel.edu/delawaredata).

Successful applicants will be funded utilizing an equity allocation formula.

Pre-Bid Meeting

A pre-bid meeting will be required. The meeting will be on **Thursday, January 20, 2011 at 1:00 p.m.** at the following location.

Herman M. Holloway Sr. Campus
Springer Building
23 Mitchell Lane
Gymnasium
1901 North DuPont Highway
New Castle, Delaware 19720

All bidders who wish to bid on this proposal must be present on time at the **mandatory pre-bid meeting**. No proposals will be accepted from agencies that either did not attend the mandatory Pre-Bid Meeting or who are MORE than 15 minutes late. Bidders may ask clarifying questions regarding this request for proposal at the pre bid meeting. Responses to questions posed at the pre-bid meeting will be distributed to bidders attending the pre-bid meeting.

Further Information

Inquiries regarding this RFP should be addressed to:

Kim Harvey
Administrative Specialist III
Kim.harvey@state.de.us

Restrictions on Communication with State Staff

From the issue date of this RFP until a contractor is selected and the selection is announced, bidders are NOT allowed to contact any **Division of Substance Abuse and Mental Health** staff, except those specified in this RFP, regarding this procurement. Contact between contractors and the **Division of Substance Abuse and Mental Health** is restricted to emailed or faxed questions concerning this proposal. Questions must be submitted in writing and will be addressed in writing.

Questions are due by 4:30 p.m. on **Monday, January 24, 2011** and will also be addressed at the pre-bid meeting. A complete list of questions and answers will be released via e-mail or fax to vendors that submit questions or attend the pre-bid meeting. The complete list of questions and answers will also be posted on the internet at http://bids.delaware.gov

Following the questions due date, bidder communication is limited to Bruce Krug, Procurement Administrator, Delaware Health and Social Services. The central phone number for the Procurement office is (302) 255-9290.

Contact with State Employees

Direct contact with State of Delaware employees other than the State of Delaware Designated Contact(s) regarding this RFP is expressly prohibited without prior consent. Vendors directly contacting State of Delaware employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business in the State who require contact in the normal course of doing that business. In the case of such exception, communication may not include an active RFP.

REQUEST FOR PROPOSAL
FOR
STRATEGIC PREVENTION FRAMEWORK – STATE INCENTIVE GRANT:
COMMUNITY BASED SUBSTANCE ABUSE PREVENTION SERVICES
FOR YOUTH AND ADULTS - IMPLEMENTATION GRANT

FOR

DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH

I. Introduction and Basic Philosophy

Organization and System Overview (DHSS/DSAMH)

Delaware Health and Social Services
Division of Substance Abuse and Mental Health Services

Delaware Health and Social Services (DHSS), created in 1970, is the largest single state agency in Delaware. The DHSS Cabinet Secretary oversees the following Divisions and Programs[1]:

- Division of Child Support Enforcement
- Division of Developmental Disabilities Services
- Division of Long Term Care
- Division of Medicaid & Medical Assistance
- Division of Management Services
- Office of the Medical Examiner; Public Health
- Division of Services for Aging and Adults with Physical Disabilities
- Division of Social Services
- State Service Centers
- Division of Substance Abuse and Mental Health
- Division for the Visually Impaired
- Delaware Health Fund Advisory Committee (DHFAC)

In addition, all state agencies providing institution-based care and community support services to adults with psychiatric disabilities, other than Division of Vocational Rehabilitation, the Department of Education and the Department of Correction are under the purview of the DHSS Cabinet Secretary.

[1] http://dhss.delaware.gov/dhss/main/dhssdivs.html

The Division of Substance Abuse and Mental Health (DSAMH) is responsible for adhering to the responsibilities assigned in the role of the single state agency (SSA) for the State of Delaware. DSAMH is responsible for the development and implementation of a state plan for prevention and treatment, coordination of state and federal funding, and development of standards for the certification and approval of prevention and treatment programs.

Through contracted providers, DSAMH provides comprehensive prevention and treatment services to Delaware's adult populations, with emphasis on services for adults with addictive disorders and mental health conditions.

DSAMH subscribes to the beliefs, substantiated by research, that:

- Prevention Prepared Communities where individuals, families, schools, faith-based organizations, workplaces, and communities take action to promote emotional health and reduce the likelihood of mental illness, substance abuse including tobacco, and suicide.
- Alcoholism, drug dependence, mental illnesses and compulsive gambling are treatable medical conditions.
- Recovery from mental illness, compulsive gambling and alcoholism and drug dependence is a real possibility and must be an expectation of services.
- All individuals in need of any type of health services are unique.
- Clients and their families reflect the diversity of our communities, including differences in ethnicity, socioeconomic status, education, religion, geographic location, age, sexual orientation, and disability.
- Treatment services and supports for Addictive Disorders (AD) and Mental Health (MH) Conditions benefit the individual client and his or her family, but also public health, public safety, and the public purse.
- Successful treatment begins with accessible services and good customer service that reflects staff's personalized engagement in assisting the client and any significant others.
- Treatment should be timely, affordable, and of sufficient intensity and duration to be effective. It should be provided in a welcoming, safe, flexible, and accessible environment.
- At times, some individuals suffering from alcoholism, drug dependence, compulsive gambling and/or mental illness may engage in improper or illegal behavior. Although such behavior may result from, or may be a symptom of, the underlying illness (es), the illness does not excuse it. However, it is essential to recognize that the illness itself is a medical condition and a public health problem for which effective treatments and services are available. As a general principle, infractions of rules or policies should be handled individually.

Delaware Strategic Prevention Framework – State Incentive Grant

DSAMH is seeking applications from eligible community based organizations to provide comprehensive substance abuse prevention services to Delawareans in communities within the four sub-state planning regions (City of Wilmington, the remainder of New Castle County, Kent County and Sussex County) and/or statewide.

The goals of the SPF-SIG Request for Proposals (RFP) are to:

- Increase knowledge, skills, and behavior of Delawareans across the lifespan to prevent and reduce the misuse and abuse of alcohol;

- Provide primary prevention activities to prevent and reduce alcohol misuse and abuse through a comprehensive set of strategies with emphasis on policy and/or environmental changes

- Reduce risk and increase protective factors to delay the onset, reduce misuse and prevent abuse of alcohol Delawareans ages 12-25;

- Increase community capacity to implement successful prevention strategies and address gaps in service; and

- Produce measurable, statewide change and sustainable outcomes within Delaware communities.

Delaware's SPF-SIG funding is targeted for community-level implementation substance abuse prevention strategies. Strategies include, but are not limited to, evidence-based programs, policies, and practices (i.e., educational workshops, provision of substance abuse related booklets within communities, alternative activities, media campaigns, etc.).

Each successful applicant must respond to the Statewide Priority approved by Delaware's SPF-SIG Advisory Council (DAC):

- Reduce past month alcohol misuse and abuse of Delaware residents 12-25 years of age. Indicators of change may include, but are not limited to: a decrease of underage and binge drinking (consumption), alcohol related traffic crashes, death, and/or injuries (consequences).
- Communities that want to focus on an additional substance abuse priority must provide relevant data to support its approval.

Through the SPF-SIG RFP process, applicants may apply for **either** a Planning or Implementation Grant to provide primary prevention[2] services targeting individuals, 12-

[2] The Substance Abuse and Mental Health Services Administration's Center for Substance Abuse Prevention (SAMHSA/CSAP) has defined Primary Prevention as: activities designed to prevent substance abuse before any signs of a problem appear. Also, strategies designed to decrease the number of new cases of a disorder or illness. Primary prevention activities are NOT services implemented with individuals that

25 years of age, in the four sub state planning regions (the City of Wilmington, the remainder of New Castle County, Kent County, and Sussex County).

II. Scope of Service

The purpose of the Strategic Prevention Framework – State Incentive Grant (SPF-SIG) is to institutionalize the Strategic Prevention Framework (SPF) throughout the state to develop and enhance Delaware's substance abuse prevention system.

The SPF-SIG funding is provided by the Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Prevention (SAMHSA/CSAP). The Delaware SPF-SIG is a cooperative agreement between the Office of the Governor of the State of Delaware and SAMHSA/CSAP. Delaware's Department of Health and Social Services, Division of Substance Abuse and Mental Health (DHSS/DSAMH) administers the SPF-SIG on behalf of the Governor.

The SPF model is a public health, outcome-based prevention approach developed by SAMHSA/CSAP.

The SPF-SIG is built on a community-based approach to prevention and a series of implementation principles that can be operationalized at the state and community level. SPF-SIG provides an effective, comprehensive prevention process and common set of goals to be adopted and integrated at all levels. Research has shown that to effectively change attitudes, perception, and ultimately behavior, prevention strategies must include a comprehensive approach that addresses both the individual and the environment.

The goals of the SPF-SIG initiative are to provide funding to States in order to:

- Prevent the onset and reduce the progression of substance abuse, including childhood and underage drinking;
- Reduce substance abuse-related problems; and
- Building prevention capacity and infrastructure at the state and community-level.

Applicants must comprehensively describe how the Strategic Prevention Framework (SPF) will be implemented within their community, specifically addressing the elements described below.

The SPF is a five step planning process. The Five Steps of the Framework are:

1. *Assessment*: Profile population needs, resources, and readiness to address needs and gaps in service delivery;
2. *Capacity Building*: Mobilize and/or build capacity to address needs;
3. *Planning*: Develop a comprehensive Strategic Plan;

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have been in treatment or are currently in treatment. Primary prevention is not part of an individual's treatment plan.

4. *Implementation*: Implement evidence-based prevention programs, policies, and/or practices;
5. *Evaluation*: Monitor and evaluate programs, policies, and practices.

Cultural competence and sustainability must be incorporated in all steps of the SPF.

More information on SAMHSA, CSAP, SPF-SIG and other substance abuse related issues can be found at www.prevention.samhsa.gov.

A. Applicant Eligibility

Eligible applicants are domestic public, private nonprofit and for profit entities[3] (i.e., associations, coalitions, agencies; state and local governments; public or private colleges and universities; faith-based organizations; local school districts).

- **Statewide Priority:**
  Reduce past month alcohol misuse and abuse of Delaware residents 12-25 years of age. Indicators of change may include, but are not limited to: a decrease of underage and binge drinking (consumption), alcohol related traffic crashes, death, and/or injuries (consequences).

- **Secondary Priority:**
  Communities that want to focus on an additional substance abuse priority must provide relevant data to support its approval.

Implementation Grants will be awarded on an annual base, up to three years contingent upon the availability of funds and the successful completion of grant performance standards and requirements.

Applicants awarded Implementation Grants will utilize funds to execute all five steps of the SPF model (Assessment, Capacity, Planning, Implementation, and Evaluation). By the end of month three (3), a Strategic Plan must be developed and submitted to the SPF-SIG Management Team which outlines the intended implementation of proposed services. Strategic Plan Review and comments will be provided during months four- five (4-5) for final approval at the end of month six (6).

Successful Applicants awarded Implementation Grants will be expected to participate in local, state and national (as needed) meetings; share effective implementation strategies; lessons learned; discuss data needs and utilization and discuss solutions to implementation issues.

[3] For-profit as well as non-profit organizations must keep in mind that they cannot profit from Health and Human Services (HHS) grants, such as the SPF-SIG. For-profit as well as non-profit organizations cannot place grant funds into an interest bearing bank account whereby they may profit from interest income.

The SPF SIG includes a national cross-site and a statewide evaluation which successful applicants must participate in. All evaluation efforts will address all five steps of the SPF. The Delaware SPF SIG Evaluation Team will provide training and technical assistance to successful applicants.
Applicants must agree to participate to in the national cross-site and state level evaluation activities.

B. Target Population

Delaware is divided into four sub-state planning regions designated by SAMHSA's Office of Applied Studies and adopted by Delaware's State Epidemiological Outcomes Workgroup (SEOW), also known as the Delaware Drug and Alcohol Tracking Alliance (DDATA). The planning regions are defined as follows: the city of Wilmington (72,664); the remainder of New Castle County (523,852); Kent County (127,103); and Sussex County (175,818). The State is unique in that the northernmost county, New Castle, is decidedly urban, while the two southern counties, Kent and Sussex, have largely rural characteristics

The SPF-SIG shall target Delawareans statewide and/or in a substate planning region based on an identified community. The Delaware Advisory Council (DAC) has defined community has as an organization, group, or partnership with a common purpose; a group may be defined (but not limited) by age, culture, ethnicity, faith or spirituality, gender, geographic location, race, or socio economic status.

The target population shall address Delaware's statewide SPF SIG priority to reduce past month alcohol misuse and abuse of Delaware residents 12-25 years of age. Indicators of change may include, but are not limited to: a decrease of underage and binge drinking (consumption), alcohol related traffic crashes, death, and/or injuries (consequences). Communities that want to focus on an additional substance abuse priority must provide relevant data to support its approval.

The following data includes, but is not limited to, high risk groups associated with the abuse and misuse of alcohol for the State of Delaware:

- 8th Grade students: Past month use[4]- 22% prevalence; Binge Drinking[5]- 10% prevalence
- 9th – 12th Grade Students: Past month use- 41% prevalence; Binge Drinking- 26% prevalence
- 18 – 20 year olds: Binge Drank in the past month- 23% prevalence

[4] Past month use is defined as use within the past 30 days.
[5] Binge drinking is defined as 3 or more drinks at a time in the past 2 weeks for a high school student (DSS), 5 or more drinks in a row in the past month (YRBS) for high school students, 5 drinks for a man and 4 drinks for a woman for those over age 18 (CRBS and BRFSS).

- University Students (UD): Binge Drank in the past month- 64% prevalence
- Women of child bearing age (18 – 44): Past month use- 55% prevalence; Binge Drank- 17%
- Adults (18 and older): Past month use- 57% prevalence; Binge Drinking- 18% prevalence; Heavy Drinkers[6]- 6% prevalence

[6] Heavy drinker is defined as more than 2 drinks daily for a man or more than one drink daily for a woman.

DSS: Delaware School Survey, the annual survey of Delaware 5th, 8th and 11th graders; YRBS: Youth Risk Behavior Survey, the biennial survey of Delaware high school students; CRBS: College Risk Behavior Survey, the annual survey of a sample of University of Delaware students; BRFSS: Behavior Risk Factor Surveillance Survey, administered in Delaware by the Department of Public Health.

lll. SPECIAL TERMS AND CONDITIONS

A. Length of Contract

Contract term is 10 months with the possibility of renewal for up to (3) additional years contingent on funding and additional needs to be addressed.

B. Funding Disclaimer Clause

Delaware Health and Social Services reserves the right to reject or accept any bid or portion thereof, as may be necessary to meet the Department's funding limitations and processing constraints. The Department reserves the right to terminate any contractual agreement upon fifteen (15) calendar days written notice in the event the state determines that state or federal funds are no longer available to continue said contractual agreement.

C. Reserved Rights

Notwithstanding anything to the contrary, the Department reserves the right to:

- Reject any and all proposals received in response to this RFP;
- Select a proposal other than the one with the lowest cost;
- Waive or seek clarification on any information, irregularities, or inconsistencies in proposals received**;**
- Negotiate as to any aspect of the proposal with the bidder and negotiate with more than one bidder at a time;
- If negotiations fail to result in an agreement within two (2) weeks, the Department may terminate negotiations and select the most responsive bidder, prepare and release a new RFP, or take such other action as the Department may deem appropriate.

D. Termination Conditions

The Department may terminate the contract resulting from this RFP at any time that the vendor fails to carry out its provisions or to make substantial progress under the terms specified in this RFP and the resulting proposal.

Prior to taking the appropriate action as described in the contract, the Department will provide the vendor with thirty (30) days notice of conditions endangering performance. If

after such notice the vendor fails to remedy the conditions contained in the notice, the Department shall issue the vendor an order to stop work immediately and deliver all work and work in progress to the State. The Department shall be obligated only for those services rendered and accepted prior to the date of notice of termination.

The Contract may be terminated in whole or part:

a) by the Department upon five (5) calendar days written notice for cause or documented unsatisfactory performance,

b) by the Department upon fifteen (15) calendar days written notice of the loss of funding or reduction of funding for the stated Contractor services,

c) by either party without cause upon thirty (30) calendar days written notice to the other Party, unless a longer period is specified.

E. Contractor Monitoring/Evaluation

The contractor will be subjected to regular on-site monitoring/evaluation. Failure of the contractor to cooperate with the monitoring/evaluation process or to resolve any problem(s) identified in the monitoring/evaluation may be cause for termination of the contract.

F. Payment:

The agencies or school districts involved will authorize and process for payment each invoice within thirty (30) days after the date of receipt. The contractor or vendor must accept full payment by procurement (credit) card and or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

G. W-9 Information Submission

Effective January 5, 2009, a new vendor process and use of the new Delaware Substitute Form W-9 will be implemented by the Delaware Division of Accounting. With the development of the new Delaware Substitute Form W-9, state organizations will no longer be responsible for collecting the Form W-9 from vendors. The vendor will have the capability of submitting the required Form W-9 electronically and directly to the Delaware Division of Accounting for approval. The vendors will submit their Form W-9 by accessing this website, http://accounting.delaware.gov/. The vendor will complete the secure form, read the affirmation, and submit the form by clicking the "Submit" button. Delaware Division of Accounting staff will review the submitted form for accuracy, completeness, and standardization. Once all the requirements are met, the form will be

uploaded to the vendor file and approved. The vendor is then able to be paid for services provided.
For those vendors that do not have internet access, a printable version of the Delaware Substitute Form W-9 can be faxed or mailed to the vendor. Upon completion, the vendor will then fax or mail the form directly to the vendor staff at the Delaware Division of Accounting. All vendor requests, additions and changes, will come directly from the vendor. Questions for vendors who do not have internet access, contact vendor staff at (302) 734-6827.

This applies only to the successful bidder and should be done when successful contract negotiations are completed. It is not a required to be done as part of the submission of the bidder's proposal.

IV. GENERAL INSTRUCTIONS FOR SUBMISSION OF PROPOSALS

A. Number of Copies Required

Two (2) original **CDs** (Each Labeled as "Original") and one (1) **CD** copy (labeled as "Copy"). In addition, any required confidential financial or audit information relating to the company and not specifically to the proposal may be copied separately to one set of up to three (3) additional CDs (Each labeled "Corporate Confidential Information"). All CD files shall be in PDF and Microsoft Word formats. Additional file formats (i.e. .xls, .mpp) may be required as requested.

It is the responsibility of the bidder to ensure all submitted CDs are machine readable, virus free and are otherwise error-free. CDs (or their component files) not in this condition may be cause for the vendor to be disqualified from bidding.

One (1) original, signed cover letter and one each of the required signature forms in a sealed envelope as indicated on in Section VI.B of this document.

Ten (10) printed copies with clearly identified sections for the technical proposal and the business proposal. The proposals must clearly indicate that they are in response to the RFP number HSS-11-017.

The cover letter should include: bidder recognition of all addenda posted on the RFP website (http://bids.delaware.gov.) relative to this RFP, a statement confirming the proposal remains effective through the date shown in **(D)** below, a statement the bidder has or agrees to obtain a Delaware business license if awarded a contract, a statement confirming pricing was arrived at without collusion.

The responses to this RFP shall be submitted to:

BRUCE KRUG
Division of Management Services
Delaware Health and Social Services
Main Administration Building, Sullivan Street
Second Floor, Room 257
1901 North duPont Highway
New Castle, DE 19720

B. Closing Date

All responses must be received no later than **Monday, March 7, 2011 at 12 p.m.** Late submission will be cause for disqualification.

C. Opening of Proposals

The State of Delaware will receive proposals until the date and time shown in this RFP. Proposals will be opened only in the presence of the State of Delaware personnel. Any unopened proposals will be returned to Vendor.

There will be no public opening of proposals but a public log will be kept of the names of all vendor organizations that submitted proposals. The contents of any proposal shall not be disclosed to competing vendors prior to contract award.

D. Proposal Expiration Date

Prices quoted in the proposal shall remain fixed and binding on the bidder at least through March 31, 2012. The State of Delaware reserves the right to ask for an extension of time if needed.

E. Acknowledgement of Understanding of Terms

By submitting a bid, each vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules and exhibits hereto, and has fully informed itself as to all existing conditions and limitations.

F. Realistic Proposals

It is the expectation of the State of Delaware that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within the proposal. Proposals must be realistic and must represent the best estimate of time, materials and other costs including the impact of inflation and any economic or other factors that are reasonably predictable.

The State of Delaware shall bear no responsibility or increase obligation for a vendor's failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.

G. Non-Conforming Proposals

Non-conforming proposals will not be considered. Non-conforming proposals are defined as those that do not meet the requirements of this RFP. The determination of whether an RFP requirement is substantive or a mere formality shall reside solely within the State of Delaware

H. Notification of Acceptance

Notification of the Department's intent to enter into contract negotiations will be made in writing to all bidders.

I. Questions

All questions concerning this Request for Proposal must reference the pertinent RFP section(s) and page number(s). Questions must be in writing and can be either faxed, or emailed to:

Kim Harvey
Administrative Specialist III
Kim.harvey@state.de.us
Fax: (302) 255-9395

Deadline for submission of all questions is 4:30 p.m. on **Friday, January 24, 2011**. Written responses will be faxed or emailed to bidders no later than **Tuesday, February 1, 2011**. Please
include your fax number and/or your email address with your questions.

All questions and answers will be posted on http://bids.delaware.gov.

J. Amendments to Proposals

Amendments to proposals will not be accepted after the deadline for proposal submission has passed. The State reserves the right at any time to request clarification and/or further technical information from any or all applicants submitting proposals.

K. Proposals Become State Property

All proposals become the property of the State of Delaware and will not be returned to the bidders. The State will not divulge any information identified as confidential at the time of proposal submission provided the information resides solely on the CD (s) marked confidential.

L. Non-Interference Clause

The awarding of this contract and all aspects of the awarded bidders contractual obligations, projects, literature, books, manuals, and any other relevant materials and work will automatically become property of the State of Delaware. The awarded bidder will not in any manner interfere or retain any information in relationship to the contractual obligations of said contract, at the time of the award in the future tense.

M. Investigation of Bidder's Qualifications

Delaware Health and Social Services may make such investigation as it deems necessary to determine the ability of the bidder to furnish the required services, and the bidder shall furnish such data as the Department may request for this purpose.

N. RFP and Final Contract

The contents of the RFP will be incorporated into the final contract and will become binding upon the successful bidder. If the bidder is unwilling to comply with any of the requirements, terms, and conditions of the RFP, objections must be clearly stated in the proposal. Objections will be considered and may be subject to negotiation at the discretion of the state.

O. Proposal and Final Contract

The contents of each proposal will be considered binding on the bidder and subject to subsequent contract confirmation if selected. The contents of the successful proposal will be included by reference in the resulting contract.

All terms, and conditions contained in the proposal will remain fixed and valid for 2 year(s) after proposal due date.

P. Cost of Proposal Preparation

All costs for proposal preparation will be borne by the bidder.

Q. Proposed Timetable

The Department's proposed schedule for reviewing proposals is outlined as follows:

Activity	***Date***
RFP Advertisement	01/03/2011
Pre-bid Meeting	01/20/2011
Questions Due	01/24/2011
Answers to Questions	02/01/2011
Bid Opening	03/07/2011
Selection Process Begins	03/08/2011
Vendor Selection (tentative)	03/15/2011
Project Begins	04/2011

R. Confidentiality and Debriefing

The Procurement Administrator shall examine the proposal to determine the validity of any written requests for nondisclosure of trade secrets and other proprietary data identified in conjunction with the Attorney General's Office. After award of the contract, all responses, documents, and materials submitted by the proposer pertaining to this RFP will be considered public information and will be made available for inspection, unless otherwise determined by the Director of Purchasing, under the laws of the State of Delaware. All data, documentation, and innovations developed as a result of these contractual services shall become the property of the State of Delaware. Based upon the public nature of these Professional Services (RFP) Proposals a bidder must inform the state in writing, of the exact materials in the offer which CANNOT be

made a part of the public record in accordance with Delaware's Freedom of Information Act, Title 29, Chapter 100 of the Delaware Code.

If a bidder wishes to request a debriefing, he must submit a formal letter to the Procurement Administrator, Herman M. Holloway Campus, Delaware Health and Social Services Main Building, 2nd Floor, Room 257, 1901 N. duPont Highway, New Castle, Delaware 19720 within 10 days after receipt of Notice of Award. The letter must specify reasons for the request.

V. SELECTION PROCESS

All proposals submitted in response to this RFP will be reviewed by an evaluation team composed of representatives of the Division of Substance Abuse and Mental Health, Delaware Health and Social Services and others as may be deemed appropriate by the Department. Each proposal will be independently reviewed and rated against review criteria. Selection will be based upon the recommendations of the review committee.

A. Proposal Evaluation Criteria

The Project Narrative describes what you intend to do with your project and includes the following evaluation criteria. Proposals will be reviewed and scored according to the quality of the response to the requirements of an Implementation Grant (Steps 1 – 5).

Assessment **15 points**

An Assessment section shall include a Statement of Need which will state an identified community priority to be addressed. Support of this priority shall be provided through indicated magnitude, geographical location, population, risk and protective factors.

Capacity **20 points**

Proposals shall demonstrate the applicant's capacity and readiness to implementation prevention strategies within their community. Proposals shall demonstrate community readiness by identifying community resources and supports.

Planning **20 points**

Proposals must include a plan for their intended program design, inclusive of a logic model with goals and objectives.

Applicants will identify a priority to address in their proposal. The proposal must be very specific in regard to the following:

- WHO is the targeted population;
- WHAT primary prevention strategy will be used;
- WHEN will the strategy be conducted;
- WHERE the strategy will be conducted; and
- HOW the identified target population will be reached; and HOW outcomes will be sustained.

Prevention strategies shall be built on the principles endorsed by the Center for Substance Abuse Prevention (CSAP), the National Institute of Drug Abuse (NIDA), the National Institute of Alcoholism and Alcohol Abuse (NIAAA), the National Registry for Evidence-based Programs and Practices (NREPP), or recognized researchers.

Proposals must include plans to implement culturally competent prevention services within each step of the SPF. In addition, proposal must indicate how outcomes and strategies will be sustained once the grant ends.

Implementation **30 points**

Proposals must include an implementation plan with tasks, timelines, and persons responsible.

Proposals must include a management plan with related tasks, timelines, and persons responsible. A Table of Organization must accompany the narrative.

Evaluation **15 points**

Applicants shall provide an evaluation plan for measuring performance and outcome measures in accordance with the program design and logic model.

Applicants must indicate in proposals agreement to comply with all data collection and reporting requirements.

Total: **100 points**

Upon selection of a vendor, a **Division of Substance Abuse and Mental Health** representative will enter into negotiations with the bidder to establish a contract.

VI. FORMAT AND CONTENT OF RESPONSE

A. PROPOSAL ORGANIZATION

The Proposal submitted in response to this request must conform to the format described in these instructions. The application should contain a cover letter that includes names and titles of key personnel to contact for additional application information. The cover letter will be considered an integral part of the proposal.

The cover letter should be followed by the completed Checklist (electronic copy will be distributed at the Pre-bid Meeting.). <u>All pages must be numbered consecutively</u>.

Each proposer is required to submit the Technical Proposal and Business Proposal as separate sections. The Business Proposal should address the cost of performing the work described in the Technical Proposal. The proposer shall not make any reference to costs in the Technical Proposal. In preparing a response, the proposer should follow exactly the format as outlined in the checklist (Form A) and include the checklist with the proposal, as specified. Failure to follow the format could result in disqualification of the proposal.

The proposer may be requested to submit a complete independent audit and analysis of financial condition, covering the most recent fiscal year, during the review process, and, if selected, will be required to submit this material.

B. REQUIRED SIGNATURE FORMS

- Bidders Signature Form (Appendix A)
- Contractor Representation, Certification & Acknowledgment (Appendix C)
- Statement of Compliance Form (Appendix D)
- Financial Practices Self Report (Appendix F)
- Non-Collusion Statement (Form G)

C. TECHNICAL PROPOSAL REQUIREMENTS

1. **Organizational Information**

Applicant organization eligibility is determined by the following criteria:

- Must have a minimum of five years documented, relevant, experience before the application date working with target population, statewide, or in the sub state planning region or community;
- Must have successfully managed a grant in similar size and complexity;
- Must have organizational structure to effectively supervise grant activities;
- Must have successfully completed financial audit within the past two years; and
- Applicants must have a documented organizational structure (i.e. Board of Directors; Advisory or Executive Committee; Memorandum of Agreement or Understanding from collaboration or partnership organization responsible for the effective implementation of grant activities).

A Proposal Narrative should reflect a flexible and responsive implementation process that responds to changing data and new information on problem behaviors in the community. Applicants for Implementation Grants must address the following criteria in their Implementation Grant Application:

- Assessment
- Capacity
- Planning
- Implementation
- Evaluation

Cultural competence and sustainability must be incorporated in each of the SPF steps addressed in the Implementation Grants.

Cultural Competence

Cultural competence refers to a system of policies, skills, and attitudes that enable an agency or individual to provide services in a manner that effectively responds to differences in cultural beliefs, behaviors, learning, and communication styles. Youth and families from diverse cultural groups may present challenges to providers in the community setting who are not appropriately prepared to work with them. Applicants must be aware of the basic principles of cross cultural service delivery, including the significance of culture as a factor in service interactions, the dominant cultural values common to specific populations, and the way in which program providers influence the delivery of services and attitudes toward the target population. For prevention efforts to be truly effective, diverse representation is needed early on in the program planning stage as well as throughout the implementation stage in order to appropriately respond to the culture of a target population.

Applicants must address cultural competence throughout the implementation of the SPF steps. Proposals will be scored on their commitment to cultural competence and ability to implement a culturally competent SPF process within each section.

Project Narrative

Applicants must clearly describe the proposed project.

(1) Assessment

Community Level

Applicants must provide a statement of need (or problem statement) that identifies specific areas of substance abuse prevention focus. Applicants must develop a preliminary set of goals and objectives and performance measures that can be used to determine satisfactory progress.

Applicants must submit a preliminary assessment which will include consumption and consequence data. The assessment data will include local level data, in addition to epidemiological data available through state or national resources.

Applicants must thoroughly describe the nature of the problem and the extent of the need (i.e., current consumption and consequences; trends and patterns). The

documentation of need may come from a variety of qualitative and quantitative sources including, but not limited to: State Epidemiological Profiles (www.udel.edu/delawaredata); related State Needs Assessments; SAMHSA's National Survey on Drug Use and Health; National Center for Health Statistics/Centers for Disease Control). The data must identify the following: magnitude of the problem to be addressed; geographic areas where the problem is greatest; and the risk and protective factors associated with the problem (See Appendix I, Assessment Summary: Alcohol).

Applicants must describe the proposed target populations/and or community. Target populations may be universal, selective, and/or indicated based on risk and need of the identified community (See Appendix II, Prevention Definitions and Strategies).

Applicants must thoroughly describe the geographic region to be served and provide data that supports the selection of the community or communities.

Applicant must describe the process by which they will complete a comprehensive community level assessment.

(See Appendix III, Resources)

(2) Capacity
Community Level

Applicants describe must describe readiness and capacity to implement prevention strategies. Applicant must discuss the capability and experience with similar projects and populations, including experiences in providing culturally appropriate/competent services.

Applicants must describe the process by which they plan to mobilize and build capacity to address the community needs. Engagement of key stakeholders at the State and community levels is critical to plan and implement successful prevention activities that will be sustained over time. Key tasks may include, but are not limited to, convening leaders and stakeholders; building coalitions; training community stakeholders, coalitions, and service providers; organizing agency networks; leveraging resources; and engaging stakeholders to help sustain the activities.

Describe the resources available for the proposed project (i.e., facilities, equipment). Applicants must describe their current capacity to implement prevention strategies/approaches. Applicants must clearly describe experience working with target populations and with the identified community (-ies).

Applicants must identify what will be needed to build readiness and ensure success of prevention initiatives (e.g. staff training and technical assistance, development of appropriate data and financial systems, etc.). In addition, applicants should identify how to develop cultural competence and build on the existing prevention infrastructure within their organization and community.

Applicants must clearly describe and provide documentation of organizational structure (i.e., Board of Directors; Organizational chart; letters of incorporation or 501c3 status).

Applicants must describe organizational or community strengths, weaknesses, opportunities for improvement and barriers to the effective implementation of proposed activities.

Applicants will be required to determine the focus of their prevention strategies; determine and identify key stakeholders at the state and community levels; create a viable infrastructure that will be able to effectively implement the strategies using evidence-based practices at the end of the planning phase.

Applicants should submit at least two letters of support specifying community and key stakeholders' participation in the planning of prevention activities (as Attachment II).

Applicants must describe a process by which current prevention resources are identified in the selected community or communities; gaps in services and determine the capacity and readiness to act.

(3) Planning
Community Level

Successful applicants must develop a data driven strategic plan that articulates not only a vision for their efforts, but also strategies for organizing and implementing prevention/reduction efforts. The strategic plan must be based on documented needs, build on identified resources, set measurable objectives, and include the performance measures and baseline data against which progress will be monitored.

Applicants will use the findings from their needs assessments to guide planning, selection, and implementation of programs, policies, and practices.

Successful Applicants must describe process for the identification and selection of evidence-based or environmental strategies. Prevention strategies shall be built on the principles endorsed by the Center for Substance Abuse Prevention (CSAP), the National Institute of Drug Abuse (NIDA), the National Institute of Alcoholism

and Alcohol Abuse (NIAAA), the National Registry for Evidence-based Programs and Practices (NREPP), or recognized researchers. (See Appendix II.I, IOM Classifications; Appendix II.II, CSAP Domains; and Appendix II.III, SAPT Prevention Strategies).

In this proposal, applicants are required to create a preliminary Logic Model. The Logic Model must describe the community specific causal factors of the priority problem, possible interventions to address problem/intervening variables, and the resources required to implement the possible interventions. The logic model should be based on the statement of need(s) identified in Step 1 – Assessment. The Logic Model must be attached following the Project Narrative as Attachment III (See Appendix IV, Logic Model).

Applicants will identify the planning process that will be used to determine how to address the statewide priority, including how the community will use data to make program decisions. Applicants that want to address the secondary priority must identify the planning process to substantiate the selection of an additional priority.

Applicants must clearly identify their target population and community or communities to be served. Target populations may be defined by one or more of the following classifications: age, educational background, ethnicity, faith, gender, geographic location, race, sexual orientation, or socio-economic status (this depicts examples of population classifications, and is not an exhaustive list).

Applicants must identify the process for identifying, engaging, and retaining members of the target population.

(4) Implementation
Community Level

Describe how implementation of the Strategic Prevention Framework will lead to the achievement of the program goals and objectives. Applicants must describe how the implementation of the goals and objectives will increase the capacity to support an effective, comprehensive substance abuse prevention services system.

Applicants must describe the process to be used for identification of evidence-based, practices to be utilized in the implementation of the proposed project.

Examples of prevention strategies may be found in Appendix II.III: SAPT Prevention Strategies. In addition, applicants may reference the National Registry of Evidence-based Programs and Practices (NREPP) for a listing of interventions supporting substance abuse prevention, as well as mental health promotion substance abuse treatment (http://www.nrepp.samhsa.gov/). NREPP is not an exhaustive list of all substance abuse prevention interventions.

Applicant must describe how it will ensure fidelity of implementation mechanisms that ensure innovative programs or adaptations of evidence-based programs are theoretically sound.

Applicants must describe how the proposed project will address issues of age, race, ethnicity, culture, language, sexual orientation, disability, literacy and gender.

Applicants must include a management plan with related tasks, timelines, and persons responsible. Provide an organizational chart for the project detailing key staff personnel for the applicant organization (and fiscal agent as applicable). A Table of Organization must accompany the narrative depicting how project staff will be organized and the percentage of time (FTE) for each person in the table. Create the Table of Organization on a separate page and attach it to your application as Attachment IV.

Applicants must provide a realistic timeline for the entire project period (chart or graph) showing key activities, milestones, and responsible staff. The timeline should be part of the narrative.

Applicants must provide a brief narrative that describes all staff collaborators, and supporters of the program, their roles, responsibilities and relationship to each other. Applicants must include a management and staffing plan that clearly describes relevant prevention experience, experience with target population(s), knowledge of identified community (-ies), and description of relevant accomplishments to date. Applicants must include resumes, biographical sketches, and Job Descriptions proposed Project Director and other key positions funded to be funded through the SPF-SIG as Attachment V.

Provide an organizational chart for the project detailing key staff personnel for the applicant organization (and fiscal agent as applicable). A Table of Organization must accompany the narrative depicting how project staff will be organized and the percentage of time (FTE) for each person in the table. Create the Table of Organization on a separate page and attach it to your application as Attachment III.

Discuss how key staff has demonstrated experience in serving the target population and are familiar with the population's culture and language.
Applicants should describe their plan to sustain the project outcomes after the funding period ends. Also describe how program continuity will be maintained when there is a change in the operational environment (i.e., staff turnover, change in project leadership) to ensure continuity over time.

(5) Evaluation

Community Level

Applicants must clearly describe the process to be used in the development of an evaluation plan that includes both process and outcome strategies.

The SPF SIG includes a national cross-site and a statewide evaluation which successful applicants must participate in. All evaluation efforts will address all five steps of the SPF. The Delaware SPF SIG Evaluation Team will provide training and technical assistance to successful applicants.

Applicants must agree to participate to in the national cross-site and state level evaluation activities.

The Evaluation Plan must include both process and outcomes to evaluation project goals and objectives.

D. BUSINESS PROPOSAL REQUIREMENTS

THE BUSINESS PROPOSAL MUST BE PRESENTED FOR THE FOLLOWING BUDGET PERIODS:

1) **April 1, 2011 – June 30, 2011**
2) **July 1, 2011 – June 30, 2012**

Financial Practices Self-Report

The bidder must complete Form F, Financial Practices Self-Report.

APPENDIX I
Assessment Summary [Alcohol]

Alcohol Summary

The State Epidemiological Outcomes Workgroup extensively reviewed the available alcohol abuse data, both for consumption and consequences, and found no discernable differences geographically that would warrant targeting a particular substate planning area for alcohol prevention evidence-based programs, policies, and practices. In each of the past three annual state and substate profiles, the state estimates from the NSDUH from 2000 to 2008, and the Delaware school survey results from 1989 to 2010 all support the existence of alcohol consumption and consequence problems in Delaware that are significant, endemic, and not limited to particular geographic areas. Examination of earlier data going back to the mid 1990s for adults and to 1989 for youth, support this conclusion as well. The representative data presented in the tables and charts below lend support to this conclusion.

The first Table below, Table A1., summarizes alcohol indicators both consumption and consequence from the 2009 Delaware school survey by substate planning area. The percentages reported reveal only five significant differences among the potential 48 comparisons. These significant differences relate to higher alcohol for Sussex County 11th graders in the school survey. However as seen in Tables A5 and A6, the NSDUH finds youth aged 12-20 in Sussex County among the lowest areas in the state for past month use and binge drinking, so the data are not consistent for high risk areas for youth.

Table A2 reports on past month alcohol use for Delawareans 12 and older in the NSDUH data for 2006-2008 that was released in June 2010. Delaware is higher than the US as a whole and higher than the Southern states but lower than the Northeast states. There are no significant differences by substate area. Table A3 shows Delaware binge rates very close to the national average and no significant differences by substate area. Table A4 from the 2007 BRFSS is consistent in not finding significant differences in binge drinking by substate area. Table A5 reports past month alcohol use for those 12-20 (underage) from the NSDUH. Here Delaware is higher than national and Southern estimates but lower than those for the Northeast. For underage drinking both Wilmington and Sussex County are significantly lower than the rest of New Castle County. Table A6 reports on binge use in the NSDUH by those underage. Wilmington reports lower underage binge drinking than the other areas and significantly lower than that for the rest of New Castle County. Tables A7-A9 report on those in need of treatment, but are potential indicators for alcohol prevention efforts. Delaware actually reports lower estimates for alcohol dependence, abuse, and unmet need for treatment than national averages, and there are no significant difference by substate area.

Finally, there are data for youth alcohol use, binge use, and alcohol involved underage crashes mapped statewide. Although there are some zip codes with higher prevalence, and some areas with higher concentrations of crashes, they do not correspond to substate planning areas. In fact a close examination of the intervals, shows that consumption and binge use among youth is high statewide, and alcohol related crashes are consistent with commercial areas with no major distinction about the size of the communities or the area of the state.

Since the primary statewide SPF-SIG priority is to address alcohol issues in the state, it seems most inclusive of community participation to not target particular communities. Existing data do not support specific target areas, so the Delaware SPF-SIG will solicit, evaluate and fund proposals in response to this RFP based on the merit of the proposal. Successful awards will require that the proposals demonstrate the potential to make a measurable difference in alcohol use and/or abuse in the community they choose to target.

DELAWARE YOUTH DATA FROM THE DELAWARE SCHOOL SURVEY

Table A1. 2009 Delaware School Survey, Percent Reporting

	Delaware as a Whole	Wilmington	Rest of New Castle	Kent	Sussex
VARIABLE					
5th grade Past month Alcohol	2.0	2.0	2.0	2.0	1.0
8th Grade past Month Alcohol	22	25	22	21	23
8th Grade Binge Drinking	10	11	10	10	11
8th Grade Ride with Drinking Driver	11	15	11	12	12
11th Grade Past Month Alcohol	39	42	38	37	47
11th Grade Past Month Binge	23	22	23	21	31
11th Grade Ride with Drinking Driver	12	16	12	11	14
11th Grade Drive after Drinking	8	8	6	7	13

Source: 2009 Delaware School Survey, University of Delaware Center for Drug and Alcohol Studies
Note: Binge use is defined as three drinks at a time in the last two weeks.
Riding with drinking driver refers to last month
Drive after drinking refers to last month.

ADULT DATA FROM THE NATIONAL SURVEY ON DRUG USE AND HEALTH AND THE BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM

Table A2. Persons Aged 12 or Older in Delaware, by Substate Region: Percentages, Annual Averages Based on 2006, 2007, and 2008 NSDUHs

	Estimate	95% Prediction Interval
Past Month Alcohol Use		
U.S.	51.23	50.76-51.71
Northeast U.S.	56.19	55.32-57.06
South U.S.	47.34	46.70-47.99
Delaware	54.85	52.14-57.54
Kent County	51.27	46.06-56.45
New Castle County (Excluding Wilmington)	59.00	55.23-62.67
Sussex County	50.27	45.23-55.31
Wilmington	48.67	42.09-55.30

Table A3. Persons Aged 12 or Older in Delaware, by Substate Region: Percentages, Annual Averages Based on 2006, 2007, and 2008 NSDUHs

	Estimate	95% Prediction Interval
Past Month Binge Alcohol Use		
U.S.	23.26	22.92-23.61
Northeast U.S.	24.20	23.50-24.92
South U.S.	21.92	21.41-22.43
Delaware	23.56	21.49-25.75
Kent County	23.04	19.63-26.85
New Castle County (Excluding Wilmington)	24.72	22.07-27.58
Sussex County	21.46	18.23-25.08
Wilmington	22.82	18.78-27.44

Table A4. Delaware Data by Substate Area from the 2007 Behavioral Risk Factor Surveillance System (BRFSS)

Acute or "Binge" Drinking [5 plus Drinks in One Occasion)				
Statewide	**City of Wilmington**	**New Castle County**	**Kent County**	**Sussex County**
17.9%	**23.6%**	**19.8%**	**14.4%**	**14.9%**

Table A5. Persons Aged 12 or Older in Delaware, by Substate Region: Percentages, Annual Averages Based on 2006, 2007, and 2008 NSDUHs

	Estimate	**95% Prediction Interval**
Past Month Alcohol Use, Persons Aged 12-20		
U.S.	**27.53**	**27.01-28.05**
Northeast U.S.	**31.04**	**30.27-31.83**
South U.S.	**25.47**	**24.93-26.01**
Delaware	**29.49**	**27.16-31.93**
Kent County	**29.13**	**25.19-33.41**
New Castle County (Excluding Wilmington)	**32.22**	**29.28-35.32**
Sussex County	**24.81**	**21.05-28.98**
Wilmington	**22.73**	**18.15-28.07**

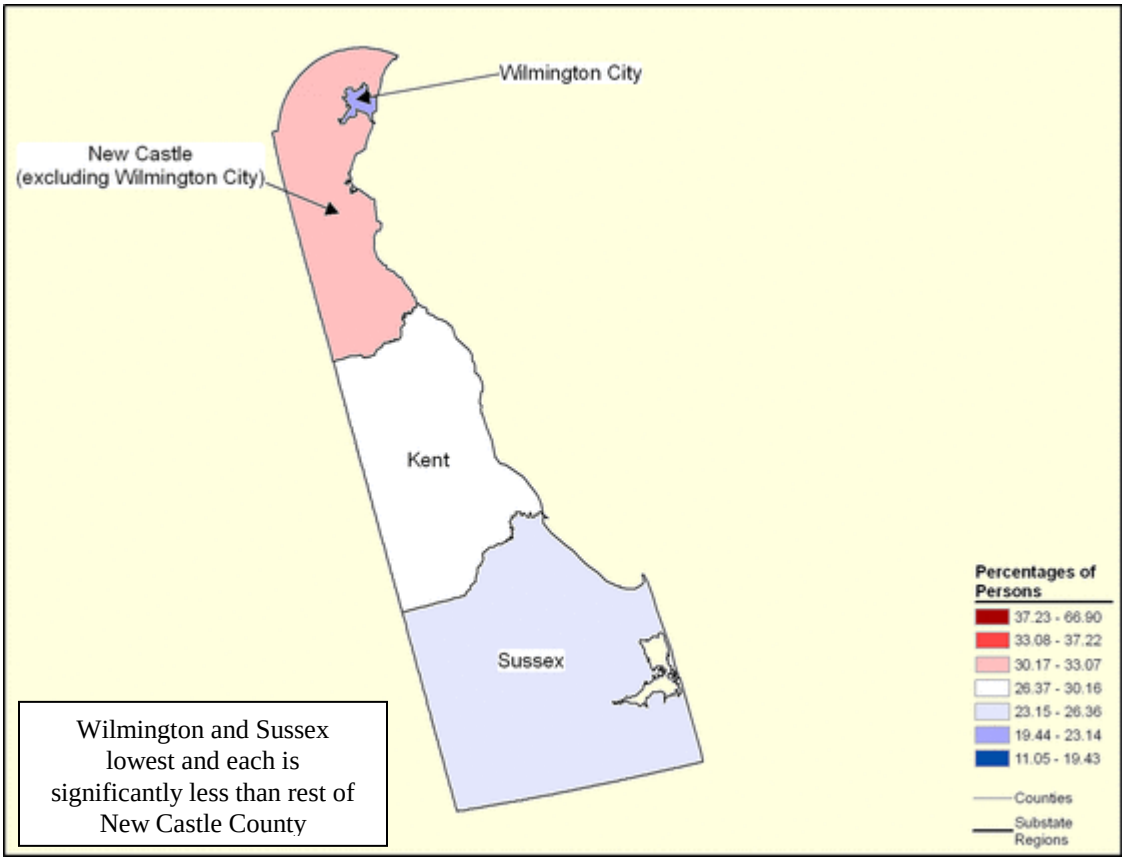


Table A6. Persons Aged 12 or Older in Delaware, by Substate Region: Percentages, Annual Averages Based on 2006, 2007, and 2008 NSDUHs

	Estimate	95% Prediction Interval
Past Month Binge Alcohol Use, Persons Aged 12-20		
U.S.	18.31	17.88-18.75
Northeast U.S.	20.82	20.12-21.54
South U.S.	16.44	15.93-16.96
Delaware	20.08	18.01-22.33
Kent County	18.20	14.82-22.16
New Castle County (Excluding Wilmington)	22.86	20.11-25.86
Sussex County	17.10	13.72-21.11
Wilmington	12.87	9.69-16.90

Table A7. Persons Aged 12 or Older in Delaware, by Substate Region: Percentages, Annual Averages Based on 2006, 2007, and 2008 NSDUHs

	Estimate	95% Prediction Interval
Past Year Alcohol Dependence		
U.S.	3.47	3.34-3.61
Northeast U.S.	3.33	3.09-3.58
South U.S.	3.28	3.09-3.49
Delaware	3.17	2.57-3.92
Kent County	3.00	2.18-4.12
New Castle County (Excluding Wilmington)	3.19	2.43-4.17
Sussex County	3.02	2.18-4.15
Wilmington	3.79	2.66-5.38

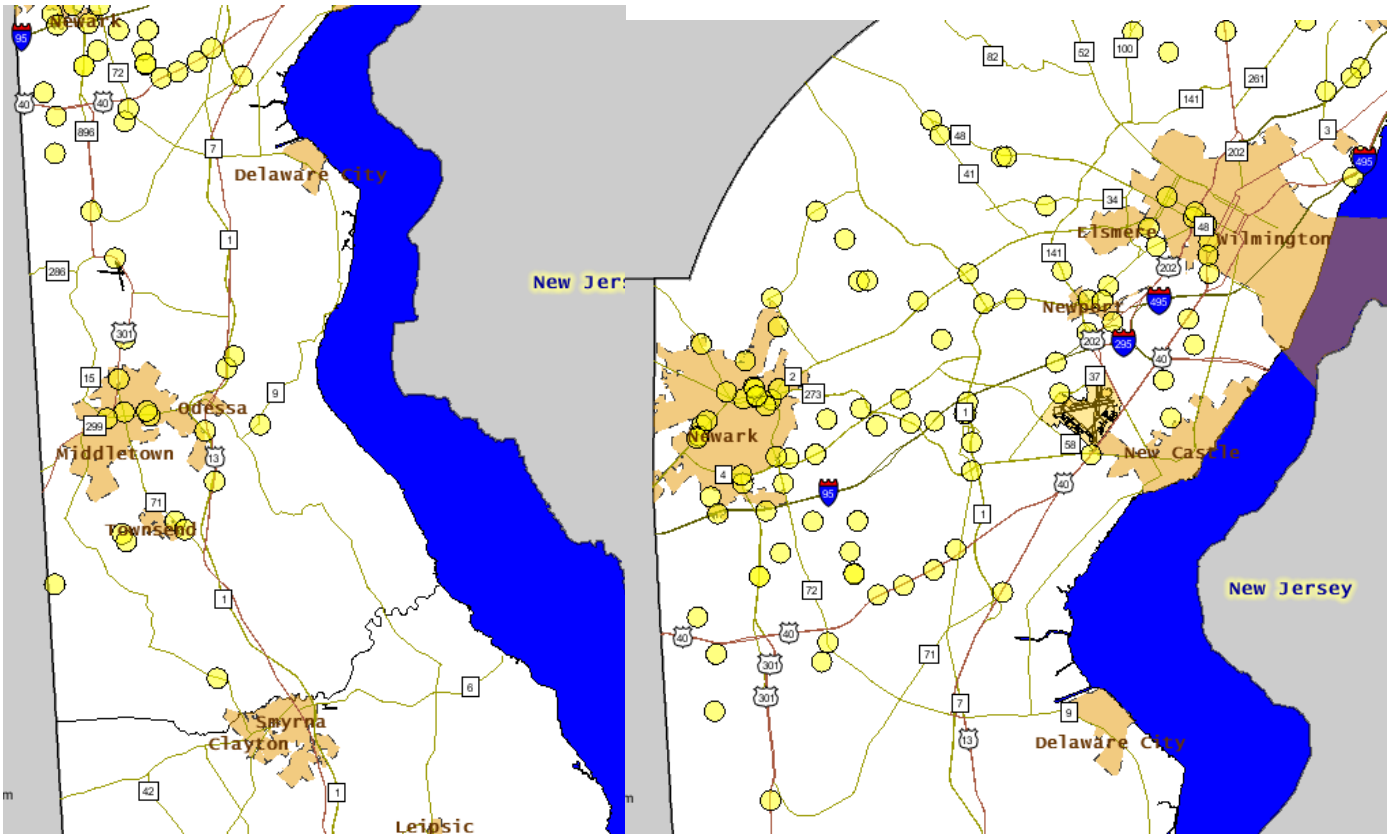
Table A8. Persons Aged 12 or Older in Delaware, by Substate Region: Percentages, Annual Averages Based on 2006, 2007, and 2008 NSDUHs

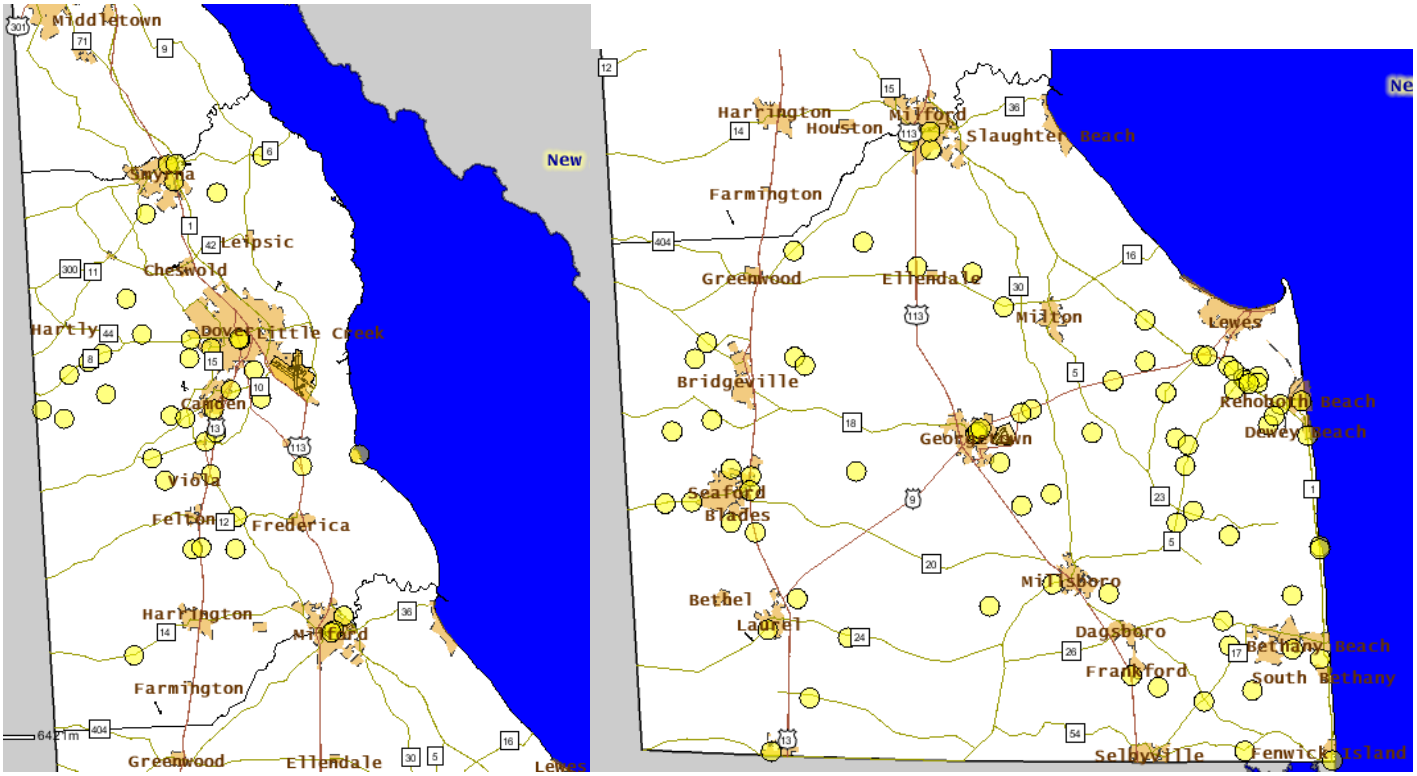
	Estimate	95% Prediction Interval
Past Year Alcohol Dependence or Abuse		
U.S.	7.53	7.34-7.73
Northeast U.S.	7.12	6.76-7.49
South U.S.	6.96	6.68-7.24
Delaware	6.81	5.83-7.94
Kent County	6.33	4.97-8.04
New Castle County (Excluding Wilmington)	7.01	5.78-8.48
Sussex County	6.29	4.89-8.06
Wilmington	7.83	5.96-10.21

Table A9. Persons Aged 12 or Older in Delaware, by Substate Region: Percentages, Annual Averages Based on 2006, 2007, and 2008 NSDUHs

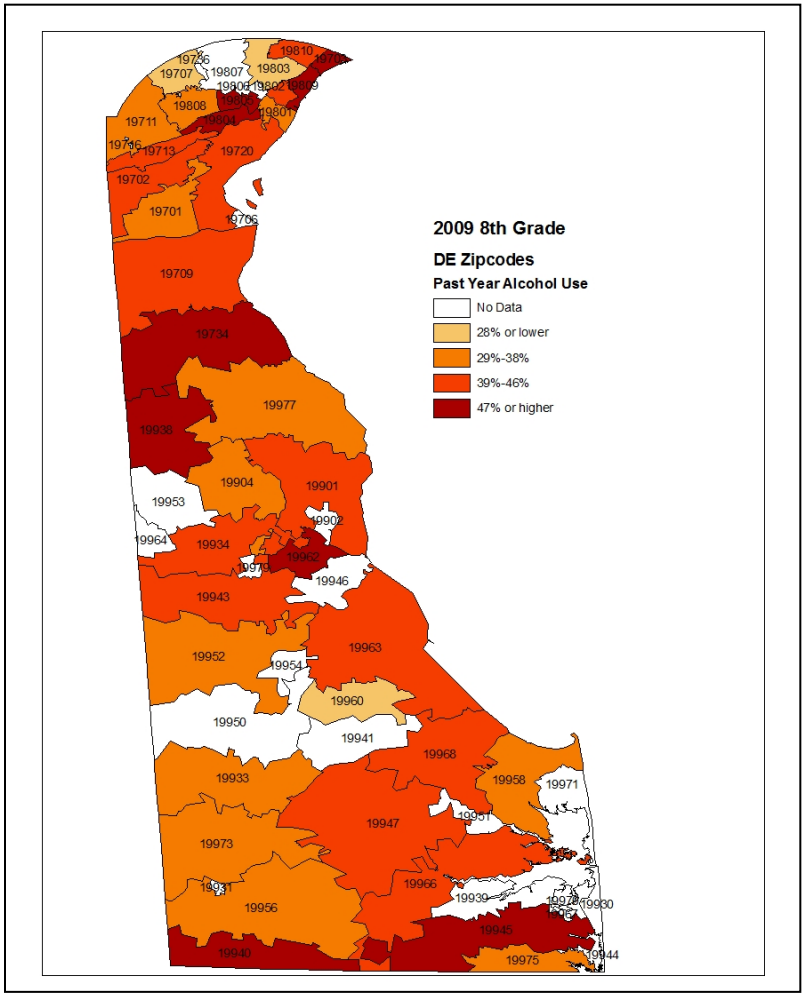
	Estimate	95% Prediction Interval
Needing But Not Receiving Treatment for Alcohol in Past Year		
U.S.	7.16	6.98-7.35
Northeast U.S.	6.74	6.40-7.10
South U.S.	6.69	6.42-6.96
Delaware	6.40	5.46-7.50
Kent County	5.95	4.61-7.64
New Castle County (Excluding Wilmington)	6.70	5.51-8.13
Sussex County	5.79	4.43-7.54
Wilmington	7.03	5.26-9.35

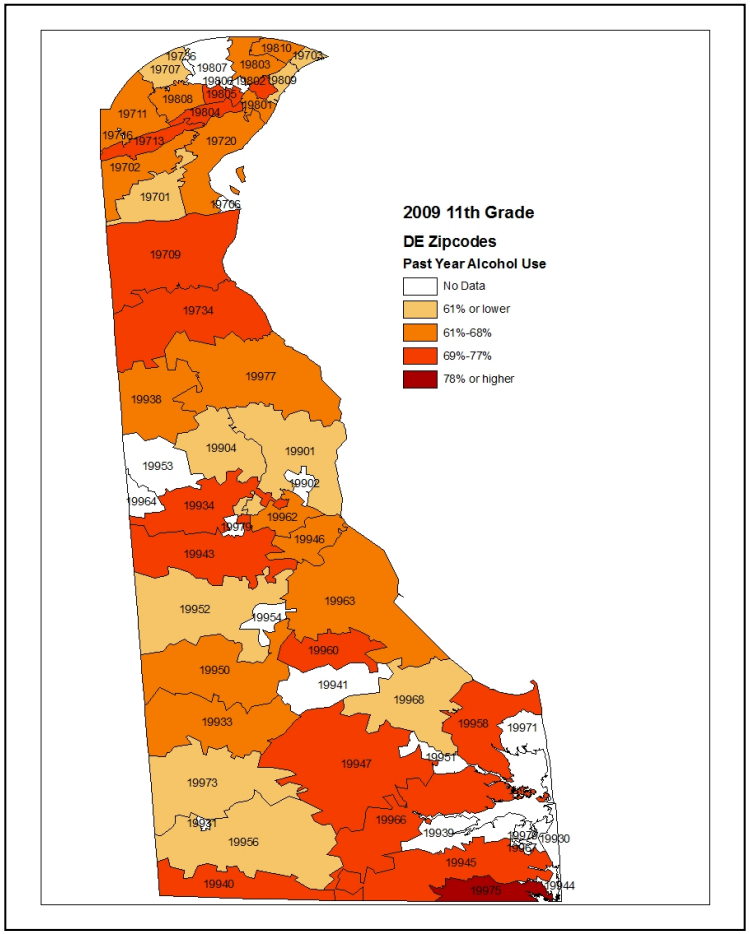
Data for youth alcohol use, binge use, and alcohol involved underage crashes mapped statewide



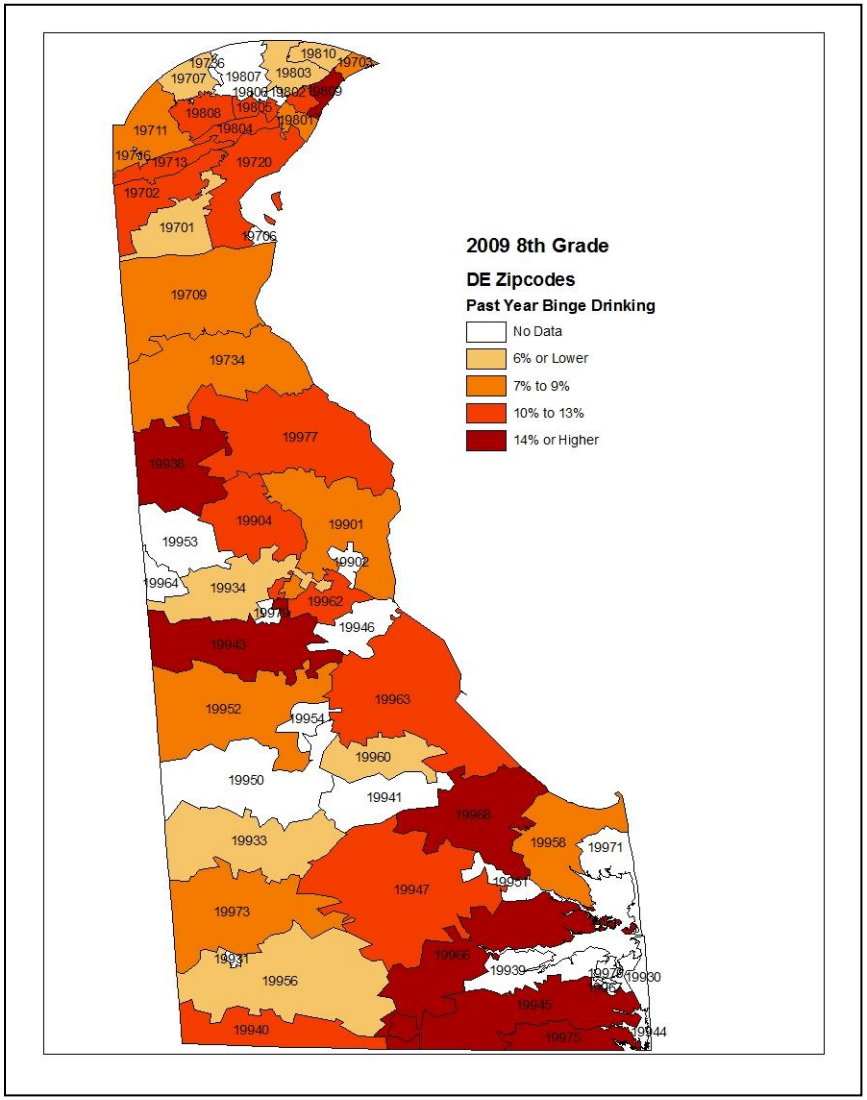


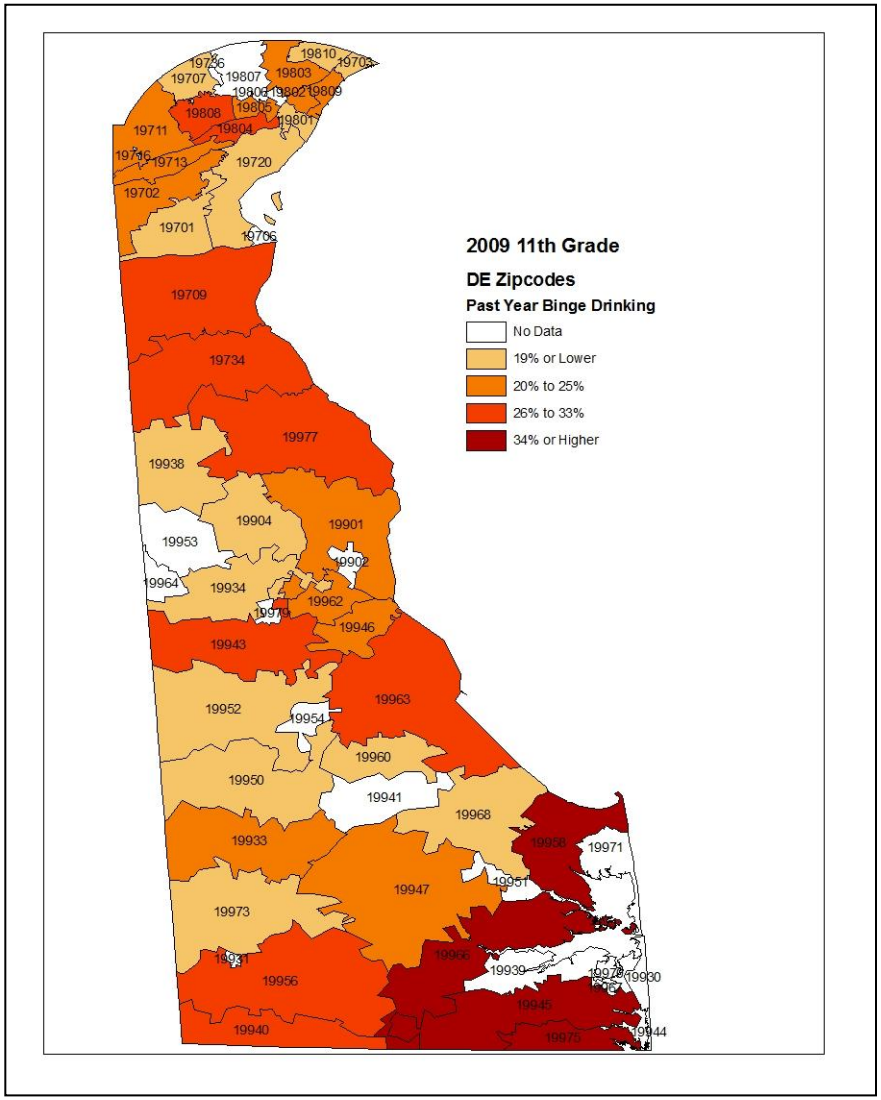
Past Year Alcohol Use Among Delaware 8th and 11th Graders by Zip Code, 2009





Past Year Binge Drinking Among Delaware 8th and 11th Graders by Zip Code, 2009





APPENDIX II
Prevention Definitions and Strategies

Appendix II.I
Institute of Medicine (IOM) Classification System

The IOM model, often referred to as a continuum of services, care, or prevention, classifies prevention interventions according to their target population. Classification by population provides clarity to differing objectives of various interventions and matches the objectives to the needs of the target population. The IOM identifies the following three categories based on level of risk: Universal, Selective, and Indicated.

- **Universal**
  Universal interventions target the general population and are not directed at a specific risk group.

  Universal prevention measures address an entire population (national, local, community, school, or neighborhood) with messages and programs aimed at preventing or delaying the use of alcohol, tobacco, and other drugs. The mission of universal prevention is to deter the onset of substance abuse by providing all individuals with the information and skills necessary to prevent the problem. The entire population is considered at risk and able to benefit from prevention programs.

- **Selective**
  Selective interventions target those at higher-than-average risk for substance abuse; individuals are identified by the magnitude and nature of risk factors for substance abuse to which they are exposed.

  Selective prevention measures target subsets of the total population that are considered at risk for substance abuse by virtue of their membership in a particular segment of the population. Selective prevention targets the entire subgroup, regardless of the degree of risk of any individual within the group.

- **Indicated**
  Indicated interventions target those already using or engaged in other high-risk behaviors to prevent heavy or chronic use.

  Indicated prevention measures are designed to prevent the onset of substance abuse in individuals who do not meet the medical criteria for addiction, but who are showing early danger signs. The mission of indicated prevention is to identify individuals who are exhibiting problem behaviors and to involve them in special programs.

Appendix II.II
Center for Substance Abuse Prevention (CSAP) Domains

CSAP articulates that risk and protective factors and an individual's character interact through six life or activity domains. Within each domain are characteristics and conditions that can function as risk or protective factors, thus each of these domains presents opportunities for prevention. The six domains are as follows: Individual, Family, Peer, School, Community, and Environment/Society.

- **Individual**
  Lack of knowledge in negative consequences of alcohol, tobacco, and other drug use, favorable attitudes towards use, early onset of use, biological or psychological disposition, antisocial behavior, sensation seeking, and lack of adult supervisions are risk factors associated within the individual or personal domain.

- **Family**
  Parental and sibling drug use or approval of use, inconsistent or poor family management practices, and lack of parental involvement, family conflict, generational differences in family acculturation, and low family bonding are risk factors associated within the family domain.

- **Peer**
  Peer use, peer norms favorable towards use, peer activities favorable to use, high rates of substance use in a community, and participation in social activities where use takes place are risk factors associated within in the peer domain.

- **School**
  Lack of commitment to education, poor grades, negative school climate, and lenient school policies or unclear norms regarding use of substances are risk factors associated with the school domain.

- **Community**
  Lack of bonding/attachment to social and community institutions, lack of community awareness of substance abuse problems, community norms favorable to use and tolerant of abuse, and inability for a community to address a substance abuse issue are risk factors within the community domain.

- **Environment/Society**
  Norms are tolerant of use and abuse, existing policies which enable use and abuse, and lack of enforcement of laws are risk factors within the environment/society domain.

Based on the target population within the domains universal, selective, and/or indicated interventions may be utilized. For example, the risk factors associated within the individual domain may be addressed by indicated interventions aimed change (increase) knowledge about and attitudes towards substance abuse as a means of influencing behavior.

Appendix II.III
Substance Abuse Prevention and Treatment (SAPT) Prevention Strategies

As a result of the Substance Abuse Prevention and Treatment Block Grant (SAPT BG) CSAP developed and recognizes the delivery of prevention services through a comprehensive, multi-strategic prevention approach. Using as many or all six of the following strategies has the greatest potential to reduce and prevention substance abuse by reducing risk and increasing protective factors: Information Dissemination, Prevention Education, Alternative Activities, Community Based Processes, Environmental Approaches, and Problem Identification and Referral.

- **Information Dissemination**
  This strategy provides information about the nature of drug use, abuse, addiction and the effects on individuals, families and communities. It also provides information of available prevention programs and services. The dissemination of information is characterized by one-way communication from the source to the audience, with limited contact between the two.

  Examples of methods used for this strategy include the following:
  - Clearinghouse and other information resource centers
  - Resource Directories
  - Media Campaigns
  - Brochures
  - Radio and Television Public Service Announcements
  - Speaking Engagements
  - Health Fairs

- **Prevention Education**
  This strategy provides information and activities aimed to affect critical life and social skills, including decision-making, refusal skills and critical analysis. Prevention education is characterized by two-way communication based on an interaction between the educator and the participants.

  Examples of methods used for this strategy include the following:
  - Classroom and Small Group Sessions
  - Parenting and Family Management Classes
  - Peer Leader and Peer Helper Programs
  - Education Programs for Youth Groups
  - Groups for Children of Substance Abusers

- **Alternative Activities**
  This strategy provides for the participation of the target populations in activities that exclude alcohol and drug use through the provision of constructive and healthy activities.

  Examples of methods used for this strategy include the following:
  - Drug-free Social and Recreational Activities (i.e. Dances or Parties)

- Youth and Adult Leadership Activities
- Community Drop-in Centers
- Community Service Activities
- Mentoring Programs

- **Community-Based Process**
  This strategy aims to enhance the ability of the community to more effectively provide substance abuse prevention services. Activities in this strategy include organizing, planning, enhancing the efficiency and effectiveness of service implementation, building coalitions and networking.

  Examples of methods used for this strategy include the following:
  - Community and Volunteer Training (i.e. neighborhood action training, training of key people in the system)
  - Systematic Planning
  - Multi-Agency Coordination and Collaboration (i.e. leveraging resources, developing strategic partnerships)
  - Accessing Service and Funding
  - Community Team-Building

- **Environmental Strategies**
  This strategy seeks to establish or change community standards, codes and attitudes, thereby influencing the incidence and prevalence of drug abuse in the general population.

  Examples of methods used for this strategy include the following:
  - The Establishment and Review of Drug Policies in Schools
  - Technical assistance to communities to maximize local enforcement procedures governing the availability and distribution of drugs.
  - The review and modification of alcohol and tobacco advertising practices
  - Product pricing strategies
  - Social norms strategies
  - Media literacy

- **Problem Identification & Referral**
  This strategy aims to identify those who have indulged in the illegal use of drugs in order to assess if their behavior can be reversed through education. It should be noted, however, that this strategy does not include any activity designed to determine if an individual is in need of treatment.

  Examples of methods used for this strategy include the following:
  - Driving-while-intoxicated Education Programs
  - Employee Assistance Programs
  - Student Assistance Programs
  - Teen Courts

APPENDIX III
Resources

To obtain further information about the Strategic Prevention Framework, data driven planning, and effective policies, programs, and practices, applicants are strongly encouraged to use the resources listed below.

National Resources

- Substance Abuse and Mental Health Services Administration (SAMHSA): www.samhsa.gov
- SAMHSA's Prevention Platform: http://preventionplatform.samhsa.gov/
- Center for Substance Abuse Prevention (CSAP): http://prevention.samhsa.gov/
- CSAP Centers for the Application of Prevention Technologies (CAPT): http://captus.samhsa.gov/
- NIAAA (National Institute on Alcohol Abuse and Alcoholism): http://www.niaaa.nih.gov/
- National Institute of Drug Abuse (NIDA): http://drugabuse.gov/ or www.nih.gov
- NREPP (National Registry of Evidence-based Practices): http://www.nrepp.samhsa.gov/
- CSAP Prevention Pathways http://pathwayscourses.samhsa.gov/ev/ev_toc.htm
- CADCA (Community Anti-Drug Coalitions of America): http://cadca.org/
    - Handbook for Community Anti-Drug Coalitions http://www.cadca.org/resources/detail/handbook-community-anti-drug-coalitions

State Resources

- Delaware SPF-SIG: http://www.dhss.delaware.gov/dhss/dsamh/spfsig.html
- Division of Substance Abuse and Mental Health (DSAMH): http://www.dhss.delaware.gov/si06/about.html
- Division of Prevention and Early Intervention (DPBHS): http://kids.delaware.gov/pbhs/pbhs.shtml

Delaware Drug and Alcohol Tracking Alliance (DDATA): www.udel.edu/delawaredata

Appendix IV
Logic Model Sample

Logic Model Basics

External / Environmental Influences

Inputs
What we Invest?

↓

Outputs	
What we do?	Who we reach?

↓

Outcomes		
Short Term	Intermediate	Long Term

Please find more information in on the development of a Logic Model in the following handout: "The Logic Model for Planning and Evaluation"

APPENDIX A:

BUSINESS PROPOSAL

Electronic version of Business Proposal spreadsheet & Budget Preparation Instructions will be distributed at mandatory pre-bid meeting.

FY11 BUDGET REQUEST

CONTRACTOR :
PROGRAM NAME:
CONTRACT NO. :

					BUDGET REQUEST FY11
TOTAL SALARIES					**0.00**
BENEFITS:					
PAYROLL TAX					
HEALTH BENEFITS					
OTHER FRINGE BENEFITS					
TOTAL BENEFITS					**0.00**
TOTAL SAL. & BEN.					**0.00**
STAFF TRAVEL & TRNG:					
STAFF TRAINING					
STAFF MILEAGE					
STAFF PUBLIC TRANSP.					
OTHER STAFF TRAVEL					
TOTAL TRAVEL					**0.00**
OCCUPANCY COSTS:					
UTILITIES					
RENT/BUILDING USE FEE					
REPAIRS/MAINTENANCE					
CUSTODIAL SUPPLIES					
INSURANCE					
OTHER OCCUPANCY					
TOTAL OCCUPANCY					**0.00**
TRANSPORTATION COSTS:					
GAS & OIL					
VEHICLE LEASE					
VEHICLE REPAIR/MAINT.					
VEHICLE INS. & TAXES					
PUBLIC TRANSPORTAT'N					
OTHER TRANSP					
TOTAL TRANSP. COSTS					**0.00**
CLIENT COSTS:					
FOOD & GROCERIES					

REHAB /EDUCAT'L SUP					
OTHER CLIENT AST					
EMER SUPPLIES					
MEDICATIONS					
TOTAL CLIENT COSTS					0.00

OPERATING COSTS:					
CONSULTANT COSTS					
TELEPHONE					
POSTAGE					
ADVERTISING/RECRUT'G					
PRINTING/REPRODUCT'N					
OFFICE SUPPLIES					
EQUIPMENT RENTAL					
EQUIP REPAIR/MAINT.					
OTHER OPERATING COST					
TOTAL OPERATING COST					0.00

TOTAL DIRECT PROGRAM					0.00

INDIRECT COST ALLOC.					

TOTAL PROG. COSTS					0.00

PLEASE SHOW ALL REVENUE					
MEDICAID REVENUE					
MEDICARE REVENUE					
CLIENT FEES					
OTHER REV					
DSAMH					
TOTAL REVENUE					0.00

CONTRACTOR : **0**
PROGRAM NAME: **0**
CONTRACT NO. : **000000**

SALARIES & FRINGE BENEFITS

TRAVEL

OCCUPANCY COST

TRANSPORTATION

CLIENT COST

OPERATING COST

ADDITIONAL COMMENTS

CONTRACTOR :
PROGRAM NAME:
CONTRACT NO. :

FY 11 Personnel Detail Sheet

Staff Roster

			Total Agency Salary			Program Eligible Salary	
Staff Name	**Agency Title**	**Certification Standards Title**	**Hrs Per Week**	**Annual Salary**	**OEC's**	**Hrs Per Week**	**Annual Salary**
Administrative Staff							
Employee 1							
Employee 2							
Employee 3							
Employee 4							
Employee 5							
Employee 6							
Employee 7							
Employee 8							
Employee 9							
Employee 10							
Employee 11							
Employee 12							
Employee 13							
Employee 14							
Total Administrative Staff			0.00	$0.00	$0.00	0.00	$0.00
					FTE's	0.00	

Program Staff	**Agency Title**	**Certification Standards Title**					
Employee 1							
Employee 2							
Employee 3							
Employee 4							
Employee 5							
Employee 6							
Employee 7							
Employee 8							
Employee 9							
Employee 10							
Employee 11							
Employee 12							
Employee 13							
Employee 14							
TOTAL Program Staff			0.00	$0.00	$0.00	0.00	$0.00
					FTE's	0.00	
TOTAL Staff			**0.00**	**$0.00**	**FTE's**	**0.00**	**$0.00**

DELAWARE DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH

PROGRAM PROPOSAL BUDGET GUIDELINES

OVERVIEW

The budget categories and line items described below have been adapted from and are consistent with similar procedures used by DSAMH in the development of budgets and rates for many of its current alcoholism, drug abuse and mental health programs. To aid DSAMH in comparing programs and budgets across all proposer agencies and programs, all proposers are requested to submit budget proposals in a common budget format.

The Division recognizes that providers will incur both direct and indirect (i.e., overhead) costs, in providing services to clients. These procedures are intended to guide potential providers in developing a program budget which represents fairly the reasonable and necessary costs they incur in serving clients.

ALLOWABLE COSTS

Program costs may be classified into two components. These are:

- Direct Costs
- Indirect Costs

Direct Costs are those costs which can be readily identified with the specific program or service provided. As an example, the salary of a clinician who is assigned full time to the proposed Program is readily identifiable and easily associated with the Program. Indirect Costs are those costs which cannot be specifically identified with a service. As an example, the payroll function of an organization which operates multiple programs, cannot be easily associated with the specific service provided.

Those cost elements which cannot be readily associated with a service must be accumulated in a cost pool (i.e., the Indirect Cost Pool) and then allocated on a rational basis to the various provider programs which share or benefit from the incurrence of the costs.

It should be noted that an Indirect Cost element for some providers could be considered to be a Direct Cost for other providers. Building upon the example of the payroll function, a provider which operates only one program could consider the payroll function to be a Direct Cost since all payroll costs would be readily identifiable with the single program operated by that provider.

Since these procedures must accommodate providers with somewhat different operating structures, it has been necessary to establish decisional rules as to which cost elements will be

classified as Direct or Indirect Costs. These decisional rules establish comparability of cost treatments across all providers.

DIRECT COSTS

The following cost elements are considered to be Direct Cost elements which, subject to the conditions and restrictions set forth in conjunction with the definition, constitute allowable Direct Costs for purposes of developing the provider budget. The cost elements are generally arrayed in the order in which they appear on the DSAMH Program Budget Form.

Direct Personnel Costs

In calculating allowable Direct Personnel Costs, providers must prorate the salaries of employees across all programs in which those employees serve. As an example, if an employee works half-time in the proposed Program and half time in another provider program, only 50 percent of the employee's salary would be assigned to the proposed Program.

Providers are required to institute and maintain reporting systems which identify an after-the-fact determination of the actual activity of each employee who performs activities for both the proposed Program and other programs operated by the provider. The activity reporting requirement is not necessary for staff who work exclusively (i.e., on a full time basis) on (proposed) Program activities.

The reporting system for employees with multi-program work responsibilities:

- must account for the total activity for which employees are compensated
- must be signed by the individual employee to attest that the distribution of activity reported reasonably reflects the actual work performed by the employee during the report period.

Direct Personnel Costs for the proposed Program may include:

- salaries and wages
- supplemental compensation, including bonuses (**providers must attach all relevant policies and procedures to the budget submission if this cost component is included in Direct Personnel Costs**)
- sick pay
- holiday pay
- vacation pay

- shift differential pay.

Fringe Benefit Costs - Fringe benefit costs for Program Personnel are allowable if they are provided as a part of the conditions of employment. Allowable Fringe Benefit Costs include three categories of fringe benefit costs. These categories are:

- payroll tax (i.e., the employer's portion of FICA)

- health benefit costs

- other fringe benefit costs. Other fringe benefit costs may include such costs as:

  Pension/Retirement
  State Unemployment Insurance
  State Industrial Insurance
  Uniforms (Job Related).

Providers who are operating multiple programs may employ the following methodology to determine the allocation of each category of fringe benefit costs to the proposed Program. The payroll tax category of fringe benefit costs has been used for illustrative purposes.

1. Calculate total salary costs for all provider personnel for all programs including administrative functions.

2. Calculate total payroll tax costs for all provider staff.

3. Divide total payroll tax costs (step 2 above) by total salary costs (step 1 above). This calculation is the percentage of salary costs attributable to payroll tax (i.e., the payroll tax rate).

4. Multiply salary costs of Program personnel by the payroll tax rate determined from step 3 above. This calculation is the allowable payroll tax cost assignable to the proposed Program.

Health Benefit Costs and Other Fringe Benefit Costs may be allocated using this same methodology.

Other rational bases for allocating fringe benefit costs are also allowable provided that:

- the methodology is documented in the provider's files

- the methodology is not changed from year-to-year without the prior consent of DSAMH.

Consultant Costs - Consultant costs which are allowable costs include:

- accounting and auditing services

- management consulting
- engineering and architectural services
- special legal services
- other contracted professional and technical services.

If a consultant service benefits other provider programs in addition to the proposed Program, the consultant cost must be prorated between the proposed Program and the other provider programs sharing the benefits of the consulting service. Again the allocation basis must be a rational system which is both documented and consistently applied from year-to-year. As an example, a rational system for allocating contracted architectural services would be the square footage of the provider facility assigned to each respective program which benefited from the architectural change. If square footage is adopted as the allocation methodology for contracted architectural services, then this methodology must be maintained in ensuing contract years. Prior approval of DSAMH is required before an allocation methodology can be changed by the provider.

A copy of the contract document should be maintained on file at the program site.

Contractual Staff Costs - Providers may contract with staff in lieu of hiring these staff as employees. The costs of contracted staff are allowable costs subject to the following conditions.

1. Contracted Direct Care staff must meet the skills and experience criteria required for the performance of direct care services expected to be rendered.

2. Contracted staff must be included in the calculation of full time equivalent (FTE) employees assigned to the program.

3. If a contracted individual is assigned to several provider programs, the provider must record time spent by the individual working in each program, and allocate contract costs between the programs on the basis of time spent in each program.

4. A copy of the contract with the staff individual should be maintained on file at the program site.

Staff Training Costs - Staff training costs are allowable costs under the following circumstances. The training costs must be incurred by the provider for planned, structured training activities for the purpose of improving, enhancing or extending job related knowledge and skills of provider staff or contracted provider staff. Trainee salary costs should not be considered a staff training cost.

Travel costs associated with transporting staff to a training site or lodging staff during a training event should not be reported as a training cost, but rather should be recorded as a Transportation and/or Meals and Lodging Cost.

Staff Mileage Costs - Staff mileage costs are allowable costs if the mileage is incurred while traveling on Program business. Mileage to and from the staff person's residence to the program work site is not an allowable cost.

Provider reimbursement rates for employee mileage may not exceed the guidelines established for each Tax Year by the Federal government for business use of vehicle.

To document employee mileage reimbursement requests, the provider must establish policies that collect at a minimum the following data elements from staff requesting mileage reimbursement:

- the date on which the travel took place
- the name of the client visited or the purpose of the travel for non-client related travel
- the location at which the travel started and the destination location
- the mileage for the trip
- the name of the staff person incurring the mileage expense.

Staff Public Transportation - Public Transportation costs include commercial airlines, rail transportation and cab service. These costs are allowable if the travel is for the purpose of Program business. **Travel costs in excess of "coach class" fares are not allowable.**

Providers should document transportation costs in a manner similar to that described above for "Staff Mileage Costs". In addition, receipts for commercial carriers should be maintained in the provider's files.

Meals and Lodging Costs - Reasonable meal and lodging costs which are associated with travel are allowable costs subject to the following limitation:

1. Meals and Lodging Costs are only allowable for staff members or contracted Care workers assigned to the proposed Program.
2. Meal costs are allowable only if the staff person is in an overnight travel status.
3. Entertainment expenses incurred by a program staff member on behalf of or for the benefit of a third party are not allowable.
4. Meal and lodging costs are allowable only if the costs are incurred in relationship to proposed Program business.

The provider should establish internal procedures which document expenditures for meals and lodging. These reporting procedures should parallel those described in association with "Staff Mileage Costs". Receipts should be maintained for all staff lodging costs.

Occupancy Costs (Rental Facilities) - Subject to the limitations described below, rental costs for building facilities are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property; market conditions in the area; alternatives available; and the type, condition and value of the property leased.

1. *Rental costs under sale and leaseback arrangements are allowable only up to the amount that would be allowed had the provider agency continued to own the property.*

2. Rental costs under less-than-arm's-length leases are allowable only up to the amount that would be allowed had title to the property vested in the provider agency. A less-than-arm's-length lease is one under which one party to the lease agreement is able to control or substantially influence the other.

3. Rental costs under leases which create a material equity in the leased property are allowable only up to the amount that would be allowed had the provider agency purchased the property on the date the lease agreement was executed including depreciation and allowable interest expenses.

4. Rental costs for facilities which house multiple provider programs must be allocated on a rational basis to the programs sharing the facility.

Occupancy costs for building rental are a separate cost element and should be accumulated and reported separately and distinctly from other occupancy related cost categories described below.

Note: Costs associated with any rental of client housing should not be included in the Occupancy Cost category. Client housing costs are allowable and reimbursable ONLY in specifically designated DSAMH program types. Budget form instructions appearing below require a complete explanation of this expense category if budgeted.

Occupancy Costs (Provider Owned Facility) - Providers may be compensated for the use of their owned facilities through:

- a depreciation or use allowance

- the allowability of interest charges for capital indebtedness.

Depreciation is an allowable cost provided that:

1. *The computation of the depreciation allowance excludes the cost of land.*

2. The computation of the depreciation allowance is based upon the acquisition cost of the facility.

3. The method of depreciation used to assign the cost of an asset to accounting periods shall reflect the pattern of consumption of the asset during its useful life. A straight line method of depreciation should be used if there is no clear evidence that the expected consumption of the asset will be greater/lesser in the earlier/later portions of its useful life.

4. A depreciation method that has been adopted for a provider owned facility may not be changed at some future point in time without the prior approval of DSAMH.

Interest charges on capital indebtedness are also an allowable cost. Mortgage interest refers to the interest expense incurred by the borrower on a loan which is secured by a mortgage.

Mortgage loans are customarily liquidated by periodic payments over the term of the mortgage. These periodic payments include both interest and principal. The interest portion of the mortgage payment is an allowable cost. **Principal payments are <u>not</u> an allowable cost.**

Interest charges on capital indebtedness are allowable under the condition that the rate is not in excess of what a prudent borrower would have had to pay in an arm's length transaction in the money market when the loan was made.

Note: All remaining categories of occupancy related costs (e.g., rent, utilities, taxes, etc.) for providers operating multiple facilities or multiple programs within a single facility must be allocated on a rational basis to the programs sharing or using the facility. These other categories of occupancy costs are described below.

<u>Real Estate Taxes and Property Insurance</u> - Taxes and property insurance on the provider facility are an allowable cost.

<u>License, Permits, Fee Costs</u> - The cost of state or local licenses or permits necessary for the provider to operate the building facility and/or offer proposed Program services are allowable costs.

<u>Utilities</u> - Utility costs associated with the operation of the proposed Program are allowable costs.

<u>Repair and Maintenance Costs</u> - This expense category is used to record the costs of labor and/or supplies furnished by other than provider staff for the repair and maintenance of the facility or facility capital equipment used by the proposed Program. Repair and maintenance costs are an allowable cost.

<u>Rent</u> - See "Occupancy Costs" (Rental Facilities) above.

<u>Custodial Supplies</u> - Custodial supply costs include the costs of supplies which are purchased and consumed within the facility such as for cleaning and sanitation purposes. Custodial supply costs are an allowable cost.

<u>Insurance Costs</u> - Insurance costs include the cost of coverage for fire, theft, liability, and other forms of insurance which are not directly related to:

- Employee benefits. Insurance related to employee benefits such as health insurance or life insurance should be recorded as a "Fringe Benefit" cost.

- Motor vehicle insurance. Automobile insurance for provider owned or leased vehicles should be recorded as a "Vehicle Insurance and Tax" cost.

- Professional Liability. Insurance related to coverage of the agency or staff for malpractice or similar liability should be recorded as an "Other Operational" cost.

Reasonable costs to insure the building facility and staff from loss or liability are allowable costs. Insurance costs must be prorated on a rational basis to the programs which share the facility being insured.

Other - This cost category includes other building occupancy costs not otherwise classified as a distinct cost category. Examples include laundry services, cleaning services, contracted custodial services and lawn and grounds maintenance. These costs are allowable, if they are reasonable and necessary for the operation of the proposed Program.

Vehicle Operations Costs (Vehicles Owned by the Provider) - Providers may be compensated for the use of provider owned vehicles assigned to or used by Program staff in the official conduct of their program duties. Two alternative options may be utilized.

Option #1 - Under this option providers may charge the program
the applicable guideline amount for miles driven on Program business. This mileage rate is all inclusive of gasoline, insurance, depreciation and maintenance. Providers electing this option need only prorate mileage between the proposed Program and:

- other programs if the provider operates multiple programs which share the use of the vehicle

- personal use, if the vehicle is used on occasion for other than official Program business.

The allocation described above can be readily accomplished by maintaining a trip log in each vehicle. Individuals using the vehicle should note:

- the program to which the mileage is assignable

- the client visited or other program related reason for Program business

- the individual using the vehicle

- the starting location and destination for the trip

- the mileage for the trip.

The trip log serves as documentation of program miles driven and permits the rapid calculation of costs attributable to the Program.

Option #2 - Under this option providers may elect to be compensated for provider owned vehicles through the form of:

- a depreciation allowance for the vehicle

- reimbursement for interest for capital indebtedness for the
- vehicle

- reimbursement for vehicle operating and maintenance costs (e.g., gas, oil, and insurance).

Providers electing this option are required to select a depreciation allowance method which:

- is based upon the acquisition cost of the vehicle

- assigns the cost of the asset to accounting periods in a way which reflect the consumption of the asset during its useful life.

If the vehicle is not dedicated exclusively to the proposed Program, the depreciation allowance must be allocated on a rational basis between the proposed Program and other programs sharing the use of the vehicle.

Interest charges for indebtedness for the vehicle are also allowable providing that the interest rate is not in excess of what a prudent borrower would have had to pay in an arm's length transaction in the money market when the loan was made.

The portion of the monthly payment to the fiscal agent which is attributable to principle reduction is not an allowable cost. Interest charges on the asset must also be allocated to the program sharing the use of the vehicle if the vehicle is not exclusively dedicated to the proposed Program. The same allocation methodology used to calculate the pro rata share of depreciation costs assignable to the proposed Program should be used to allocate interest.

Vehicle Operations Costs (Leased Vehicles) - The cost of leasing a vehicle is an allowable Program cost provided that the lease rate is not in excess of what a prudent borrower would have had to pay in an arm's length transaction at the time that the lease was entered into.

Certain leases contain options which allow the lesser to acquire the vehicle at a rate below fair market value at the conclusion of the lease period. Providers selecting lease arrangements of this nature must make a pro rata adjustment in the lease rate charged to the proposed Program to reflect

the share of the asset's value which will be acquired at the conclusion of the lease period by virtue of the option to buy discount.

If the vehicle is shared by other provider programs, the cost of the lease must be allocated to participating programs on a rational basis.

Gas and Oil Costs - Gas and oil costs to operate vehicles are allowable for:

- providers operating leased vehicles
- providers electing the Option #2 form of costing for provider owned vehicles. See "Vehicle Operations Costs (Vehicle Owned by Provider)".

Providers with multiple programs which share a vehicle must allocate Gas and Oil costs among user programs on a rational basis.

Vehicle Repair and Maintenance Costs - Vehicle repair and maintenance costs are allowable costs to the extent that these costs are not recoverable:

- from an insuring entity
- from the leasing entity, if applicable
- as a car warranty reimbursement.

Providers must have elected the Option #2 form of costing for provider owned vehicles in order to receive reimbursement for Vehicle Repair and Maintenance Costs. See "Vehicle Operations Costs" (Vehicle Owned by Provider).

Providers with multiple programs which share a vehicle must allocate vehicle repair and maintenance costs among user programs on a rational basis.

Vehicle Lease Costs - See "Vehicle Operations Cost (Leased Vehicles)" above.

Vehicle Insurance and Tax Costs - Vehicle insurance and tax costs are an allowable cost if the provider elected the Option #2 form of costing provider owned vehicles. See "Vehicle Operations Costs" (Vehicle Owned by Provider). Tax costs which are allowable include:

- title and transfer fees
- state and local use permits (i.e., license plates and municipal stickers)
- other vehicle taxes which are necessary and reasonable to the operation of the vehicle.

Providers with multiple programs which share a vehicle must allocate vehicle insurance and tax costs among user programs on a rational basis.

Contractual Transportation - Providers may occasionally find it necessary to rent special purpose vehicles such as a bus or a van to transport large numbers of program staff to a location. Costs of contractual transportation of this nature are allowable if the purpose of the activity associated with the contractual transportation is for the purpose of a legitimate Program function.

Public Transportation (Client) - Public transportation costs for clients even if the purpose of the transportation is directly related to the provision of authorized services and the client is economically unable to personally fund the public transportation costs are allowable and cost-reimbursable ONLY in specifically designated DSAMH program types.
Provider staff public transportation costs may not be charged or recorded to this cost category.

Other - Additional costs associated with the operation and use of vehicles which are not appropriate to a previously described cost category should be recorded as a part of this cost category.

Examples might include:

- garage fees or parking fees

- alteration of vehicle to accommodate the handicapped clients.

These miscellaneous costs are allowable if the vehicle incurring these miscellaneous costs is used for proposed Program functions.

Food and Grocery Costs - Food and grocery costs for Program clients are allowable and cost-reimbursable ONLY in specifically designated DSAMH program types.

Educational Supplies - Educational supplies for Program clients are allowable and cost-reimbursable ONLY in specifically designated DSAMH program types. If allowable, these costs should be calculated at their actual prices after deducting all cash discounts, trade discounts, rebates and allowances received by the provider agency.

Miscellaneous Client Expenses - The provision of emergency funds or other direct payments to clients is allowable and cost-reimbursable ONLY in specifically designated DSAMH program types. If allowable, this category would include the cost of providing prescription and non-prescription drugs purchased and administered to the client and other assistance provided directly to clients which does not fall into any other specified category of client costs.

Client Rental Assistance - The cost associated with providing housing or rental assistance to clients is allowable and cost-reimbursable ONLY in specifically designated DSAMH program types.

Other Client Expenses - See "Miscellaneous Client Expenses" above.

Operating Expenses - Certain categories of operating costs are allowable if they are directly assignable and traceable to the proposed Program. Allowable operating expenses for the proposed Program include reasonable and necessary costs for:

- telephone
- postage
- printing and reproduction
- office supplies
- equipment rental
- equipment repair and maintenance
- other miscellaneous operating expenses.

These costs are generally allowable only if they are separate and distinct from the operating expense cost elements of other programs operated by the provider. If these cost elements are shared by other provider programs, these costs should be allocated as an indirect cost rather than as a direct program cost.

In order to claim operating expenses as a direct rather than indirect cost, the provider must establish and enforce procedures which prevent the commingling of operating cost elements between programs. As examples:

- *office supplies for the proposed Program should be stored at the program location and kept physically apart from office supplies for other provider programs*
- the phones used at the program location should be separately billed by the phone company
- equipment rented should be physically situated at the proposed program location and must not be shared with other programs.

Operating expenses can be most readily isolated if the proposed Program is assigned a finite space within the provider's facility. Equipment, phones and office supplies can then be isolated at the proposed program location.

Advertising Costs - Advertising costs except for recruitment of proposed Program personnel are not allowable costs

All allowable Direct Costs for the proposed Program constitute the "Direct Cost pool" for the proposed Program.

UNALLOWABLE ITEMS OF COST

Direct Costs were discussed above in relationship to the Program budget form currently utilized by DSAMH in establishing budgets for providers of contractual services.

To further guide providers in understanding which cost elements are not allowable Program costs, a listing of unallowable cost elements is presented below. This listing is not intended to be all inclusive, but rather is intended to note major cost elements with which providers have experienced problems.

Unallowable Program cost elements which cannot be incorporated into the budget provider costs for:

- Bad Debt
- Contingency Provisions or Contingency Reserves
- Contributions
- Donations
- Entertainment Costs
- Equipment Costs or Other Capital Expenditures (Note: although the acquisition cost of equipment, land and facilities is not allowable, providers are allowed to claim depreciation and interest on mortgages and other capital plan loans).
- Fines and Penalties
- Idle Facilities and Idle Capacity
- Fund-Raising Costs
- Investment Management Costs
- Interest other than for Capital Expenditures
- Losses on Other Contracts or Previous Contracts
- Organization Costs such as incorporation fees or fees to
- promoters and organizers
- Participant Support Costs

- Pre-Award Costs which include all costs incurred prior to the effective date of DSAMH's service agreement with the provider

- Public Information Services Costs

- Publication Costs.

DSAMH has modeled its definition of allowable/unallowable costs on Federal guidelines. A more detailed listing of allowable and unallowable cost elements is presented in the Code of Federal Regulations (CFR). Providers seeking guidance with respect to a cost element not referenced as either allowable or unallowable should consult the CFR for further guidance.

INDIRECT COSTS

An indirect cost is one which, because of its incurrence for common or joint objectives, is not readily subject to treatment as a direct cost.

After direct costs have been determined and charged directly to the programs operated by the provider, indirect costs are those residual costs which remain to be allocated.

The residual costs remaining to be allocated will normally be summed into a pool of costs termed the Indirect Cost Pool and then allocated back to the alternative cost centers (i.e., programs) operated by the provider.

The steps associated with creating and allocating indirect costs are described below.

IDENTIFICATION OF INDIRECT COST ELEMENTS

Only providers who operate additional programs beyond the proposed Program are required to prepare an Indirect Cost allocation plan. This is the case because providers who are operating only the single proposed Program should be able to classify all costs as direct costs.

Providers with multiple programs should calculate their Indirect Costs so that these costs can be incorporated into the development of their program budgets.

The initial step in developing Indirect Costs is to define direct costs for each program operated by the provider. A separate direct cost pool must be created for each specific program.

Earlier, the procedures to develop direct costs for the proposed Program were defined. A similar procedure should be used in creating direct costs for other programs operated by the provider.

It should be noted that other programs may have additional direct cost elements which are not utilized in the proposed Program. These additional elements of direct costs should be included as appropriate in the construction of direct cost pools for other provider operated programs.

After all direct costs have been assigned to their respective programs and cost pools, the residual of unassigned provider costs constitutes the preliminary Indirect Cost pool to be allocated. Two additional steps must be performed before this preliminary pool of Indirect Costs can be allocated to the proposed Program and other programs operated by the provider.
These steps are:

- purifying the preliminary indirect cost pool by excluding unallowable indirect costs

- creating an allocation methodology which rationally allocates indirect costs to the respective programs operated by the provider.

These steps are described in more detail below.

EXCLUDING UNALLOWABLE INDIRECT COST ELEMENTS

After residual unassigned costs have been identified and aggregated into the preliminary Indirect Cost pool, each Indirect Cost element should be reviewed to determine whether it is an allowable or unallowable cost element. The same rules which applied to allowability or unallowability of Direct Cost elements also applies to Indirect Cost elements. The discussion of direct costs, above, defines the most commonly encountered "unallowable" cost elements.

Providers should compare their Indirect Cost elements with the listing above and exclude those cost elements which are "unallowable". The Code of Federal Regulations (CFR) should also be consulted if there is a question regarding the allowability of any specific Indirect Cost element.

After "unallowable" cost elements have been deducted from the preliminary Indirect Cost pool, the residual cost elements constitute the provider's Indirect Cost pool. The specific cost elements which comprise this Indirect Cost pool should be documented and maintained on file for periodic review by DSAMH personnel.

ALLOCATING THE INDIRECT COST POOL TO THE PROGRAMS OPERATED BY THE PROVIDER

In order to allocate the Indirect Cost pool to the various programs operated by the provider, it is necessary to construct an allocation methodology which will rationally allocate Indirect Costs to the programs in a proportionate manner which reasonably reflects the benefit each program receives from the Indirect Cost expenditures.

Acceptable methodologies for allocating Indirect Costs to the programs include prorating based upon:

- total Direct Costs, or
- total direct salaries and wages.

These simplified methods of allocating Indirect Costs are permissible if there are no known environmental factors which would substantially affect the Indirect Costs applicable to a particular segment of the provider's programs.

Providers who believe that one of the simplified allocation methodologies described here would be inappropriate for their organizations should consult with DSAMH regarding alternative permissible allocation methodologies for Indirect Costs.

Once a provider has established the allocation methodology to be used for distributing Indirect Costs, this same methodology must be used in making future year's allocations. The provider must make a written request to DSAMH for approval of a change in methodology and must submit reasonable justification for the requested change. A change in allocation methodologies must be approved in writing by DSAMH before it may be used by the provider.

LIMITATION ON INDIRECT COSTS

For purposes of cost containment DSAMH has established a ceiling for Indirect Costs. This ceiling is 12.0 percent of total Program allowable Direct Costs.

Providers may claim the lesser of their pro rata allocation of indirect costs to the proposed Program or 12.0 percent of total allowable proposed Program Direct Costs.

PROCEDURES FOR DEVELOPING THE BUDGET PROPOSAL

Proposers are requested to submit budgets which have been prepared in accordance with the foregoing guidelines regarding allowable/unallowable costs on the forms provided.

BUDGET PREPARATION INTRODUCTION

Appendix A of HSS -11-017 contains an example of the budget format to be used for budget proposals.

BUDGET PREPARATION INSTRUCTIONS

The budget submission format requests information regarding program costs by cost category. When entering cost data, providers should refer to previously provided instructions to ensure that cost elements reported on the budget form are allowable and fully conform with the procedures identified.

Direct Personnel Staff Roster. Enter the name and Functional Title of each individual who will participate in the proposed Program in the year being budgeted. The following additional instructions should be considered when making Item 6, Staff Roster, entries.

a) The staff roster should include both salaried employees and contracted employees who will participate in the program. Consult Item 48 for more information on the differences between contracted staff and consultant costs.

b) If a position is not currently filled, but you intend to fill the position sometime during the budget year, insert the word "vacant" in place of a staff name.

c) Consideration should be given as to whether employees/contract staff are directly a part of the proposed Program or should more appropriately be considered as an indirect cost of the program. (See previous discussion of Direct and Indirect Costs).

Employee Status. For each position listed in the staff roster in Item 8, indicate whether the staff person is a salaried employee or a contracted employee. Enter an "S" for salaried employees or enter a "C" for contracted employees.

Full Time Equivalent. Item 8 is intended to capture the percentage of time that each individual will be dedicated to the proposed Program.

Enter the value "1.0" (one) for each person who will be dedicated on a full time basis to the Program you are budgeting for.

Some staff may be assigned to the program on less than a full-time basis. In these situations enter the percentage of time this individual will be dedicated to this program.

As examples of this point:

- a half-time employee would be coded .50

- an employee that is assigned one third time to each of three separate programs operated by the provider would be coded as a .33 full-time equivalent to each of the three programs.

Additionally, some full-time staff may be hired later in the contract year (e.g., employment month of January), especially in the start up year of a proposed Program. In these cases, the full-time equivalent percentage should be adjusted to reflect a planned full-time hire who will work less than the full 12 months of the contract year in which he was employed. For example, a full-time staff with a planned employment date in month six of the contract year would be coded as a .5 FTE in his first year and 1.0 FTE in subsequent contract years. **[The budget proposal narrative must indicate positions for which the FTE and budgeted amounts are affected by this delayed-hire provision.]**

Total Full Time Equivalent (FTE) Staff. Add the FTE amount for each entry in Item 8 and enter the total of these FTEs as Item 9.

Program Direct Staff Costs. For each functional position listed in the Staff Roster, Item 6, indicate the wages or contract amounts to be paid to that individual for the budget year which are assignable to the proposed Program as a program cost.

Individual program costs may or may not be a percentage of an employee's wages. Employees who are assigned to more than one provider program must have their wages allocated to each of the programs they are assigned to.

Additionally, some providers may choose to use other funding sources to offset a portion of a particular employee's wage costs. Such sums would be deducted from the wages assigned as a contract cost.

For salaried employees, annual compensation includes salary, shift differentials and bonuses. If employees are likely to receive salary increases during the budget year, the amount of these salary increases should be included on a pro rata basis adjusted for the effective date of the salary increase.

For contracted staff, annual compensation will likely include both compensation and fringe benefits since most personal services contracts do not separately identify that portion of the contractor's fees which are assignable to fringe benefits.

Note: Providers must execute a personal services contract with each contracted employee. This contract must be maintained on file for periodic inspection by DSAMH officials. At a minimum the personal services contract must identify:

- the services to be provided by the contract employee
- the Program functional title that will apply to the contract employee
- the rate per hour the contract employee is to receive
- the maximum hours that the contract employee is allowed to bill during the budget year
- the contract maximum. This is the rate per hour multiplied by the maximum hours which the contract employee may bill.

Total Program Direct Staff Costs. Add the cost for each entry in the Program Direct Staff Cost column (Item 10) and enter the total in Item 11.

Payroll Tax. Enter the payroll tax which is attributable to the employees listed on the staff roster who are categorized as salaried employees. Note: Payroll tax should not apply to contracted employees. Note Also: The payroll tax calculation for salaried employees must include a proration of the payroll tax by program for those employees assigned to multiple provider programs.

Health Benefits. Enter the Health Benefit costs attributable to the employees listed on the staff roster who are categorized as salaried employees. The instructions for Item 12, Payroll Tax as they relate to employees assigned to multiple programs also pertain to the calculation of Health Benefit Costs.

Other Fringe Benefits. Report Other Fringe Benefits using the same allocation procedures as previously described for Payroll Tax and Health Benefits.

Total Fringe Benefits. Sum the entries for Payroll Tax, Health Benefits, and Other Fringe Benefits and enter this sum as "Total Fringe Benefits".

Total Direct Staff and Fringe Benefit Costs. Add the total entered as Item 11, Total Program Direct Staff Costs, and the total entered as Item 15, Total Fringe Benefits, and enter this sum as Item 16, "Total Direct Staff and Fringe Benefit Costs".

Staff travel and training costs are
allowable categories of cost for the proposed Program subject to certain conditions and limitations. Previous Budget Proposal instructions describe the policies applicable to this category of costs. Before budgeting costs for staff travel and training, the provider should ensure that the DSAMH policies and procedures set forth previously have been fully conformed with. Staff training and travel costs may be budgeted only for those individuals listed on the Direct Personnel Staff Roster - Item 6. Staff training costs should be prorated if other provider operated programs share or participate in proposed Program staff training events.

Staff Training. Enter the estimated cost of planned staff training events in the space referenced on the budget form. Staff training costs include only fees or tuition. Travel to and from the training event should be recorded as Staff Mileage, Staff Public Transportation and/or Staff Meals and Lodging costs.

Staff Mileage. Enter the estimated cost of staff mileage attributable to proposed Program activities.

Staff Public Transportation. Enter the estimated cost for use of public transportation by proposed Program staff.

Staff Meals and Lodging. Enter the estimated cost for staff meals and lodging which are necessitated by official Program business.

Total Staff Travel and Training Costs. Add the entries made for Staff Training, Staff Mileage, Staff Public Transportation and Staff Meals and Lodging and enter the total of these entries in the space provided.

Other Income Applied. This **column** of the budget form should be used to report other income which the provider allocates to the proposed Program.

If other income is to be applied to the proposed Program, providers should attempt to allocate these funds by cost element on the budget form.

Other income should be entered in the spaces corresponding to numbered lines and category totals applicable to the total program.

Anticipated Contract Costs. This **column** represents the Difference between Program Costs and Other Income Applied (Item 22).

Real Estate Tax/Property Insurance. Providers operating multiple programs in their building facilities must allocate the real estate tax and property insurance to the programs sharing the facilities. Your budget submission should represent only the pro rata share of these taxes and insurance which are allocable to the proposed Program.

Licenses, Permits and Fees. Providers operating multiple programs in their building facilities must allocate their building licenses, permits, and fee costs in this line Item. Enter only the pro rata share of these costs attributable to the proposed Program.

Utilities. Prorate utility costs among the programs operated by the provider which share the facility for which utility costs were billed. Report only that pro rata share of utility costs which is allocable to the proposed Program.

Repair and Maintenance. Allocate repair and maintenance costs for a facility to the provider programs which share that facility. Enter only the pro rata share of repair and maintenance costs which are allocable to the proposed Program.

Note: Repair and maintenance costs should not include the salary costs of provider employees who perform repair and maintenance functions. Salary costs of provider employees performing repair and maintenance functions should be considered to be an "indirect cost" for the proposed Program.

Rent. Allocate rental payments for building facilities to the programs sharing the facility. Enter on the budget form only the share of rental costs which are assignable to the proposed Program. [See Budget Guidelines re: Occupancy Cost (Rental Facilities) regarding Client Rental Costs vs. Facility rental costs.]

Custodial Supplies. Allocate custodial supplies to the programs sharing in their usage. Enter the proposed Program's share of the cost of these custodial supplies.

Insurance. Allocate building insurance costs to the programs using those buildings which have been insured. Enter the proposed Program's share of the cost of the insurance.

Other Occupancy Costs. Providers wishing to report other occupancy costs should attach a detail sheet which defines the nature of these costs. The total of these "Other Occupancy Costs" which represents the proposed Program's pro rata share should be entered in the space provided on the budget form.

Providers who own rather than lease their buildings should use this space to report Building Depreciation Costs and Mortgage Interest Costs. Both Depreciation and Interest Costs must be allocated to the programs which share the use of the facility.

This line item in your budget submission may also be used to report any contracted occupancy related costs such as contracted housekeeping services or contracted lawn services.

Each entry you record as an "Other Occupancy Cost" should be described in more detail in a separate narrative statement which should be appended to your budget submission.

Total Occupancy Costs - Sum all entries made relating to Occupancy Costs and enter the total in the space provided.

Guidelines provided previously provide two alternative methods
for providers to expense vehicles owned by the provider. If Option #1 is selected (i.e., costing on a per mile basis), no entry should be made for Item 33 - Gas and Oil, Vehicle Repair and Maintenance, and Vehicle Insurance and Tax.

If Option #2 is selected, vehicle operating costs must be pro rated between the programs sharing the use of the vehicle. Further, the percentage of costs allocable to personal use of the vehicle must be deducted if the vehicle is used for other than official business. The same allocation methodology must be applied to each cost element (e.g., if 20 percent of Gas and Oil costs are assignable to the proposed Program, then the 20 percent allocation factor in this example would also be the proposed Program's share of vehicle repair and maintenance costs and vehicle insurance and tax costs.

Vehicle Lease Costs. Enter the proposed Program's share of vehicle lease costs in the space provided on the budget form.

Contractual Transportation. Contractual transportation costs represent the costs to rent special purpose vehicles such as a bus or a van to transport clients or staff to a location. Enter the pro rata share of these costs which are assignable to the proposed Program.

Public Transportation. This cost category should be used only for client public transportation costs. Staff transportation should be coded as "Staff Public Transportation" Item 19. Budget preparation guidelines presented earlier describe rules and regulations applicable to this cost element. Enter client public transportation costs in the space provided on the budget form.

Other Transportation Costs. Additional Program Transportation costs not classified previously on the budget form should be entered in this space. Attach a detail sheet to your budget submission which defines the nature of these costs.

Providers who own rather than lease their vehicles should use this space to report Vehicle Depreciation and Interest Costs. Both Depreciation and Interest Costs must be allocated to the programs which share the use of the vehicle.

Total Transportation Costs. Sum all entries made relating to Transportation Costs (i.e., Items 34 through 40) and enter the total in the space provided.

Food and Groceries. Enter the costs of providing food and groceries to residents of the proposed program. This cost category is applicable ONLY to specific DSAMH programs.

Educational Supplies. Enter the costs of providing educational supplies/materials for client education services. This cost category is applicable ONLY to specific DSAMH programs. Any cost should be fully explained in an attached detail sheet.

Dry Goods. Enter the cost of supplying linens, toweling, and similar items necessary to the provision of resident room and board. This cost category is applicable ONLY to specific DSAMH programs.
Laundry supplies. Enter the cost of supplies used primarily for the purpose of laundering clothing, linens and related items necessary to the provision of resident room and board. This cost category is applicable ONLY to specific DSAMH programs.

Client Rental Assistance. Enter the cost of assisting program participants in renting a domicile separate from the proposed program. This cost category is applicable ONLY to specific DSAMH programs.

Personal Care Supplies. Enter the cost of providing or assisting residents' acquisition of personal care supplies (hygienic, cosmetic and related items). This cost category is applicable ONLY to specific DSAMH programs

Other Client Assistance. Enter the cost of providing all other assistance on behalf of program participants which takes the form of cash, commodities or other gifts. This cost category is applicable ONLY to specific DSAMH programs.

Total Client Costs. Sum all entries made relating to client costs and enter the total in the space(s) provided.

Consultant Costs. Previous guidelines presented in the Budget Proposal instructions define the differences between Consultant Costs and Contracted Direct Staff. Contracted Direct Staff are to be included in the Direct Personnel Staff Roster and budgeted as a part of personnel costs. Consultant costs include professional services contracted by the provider for activities not directly related to patient care. Examples could include accounting and auditing services or management consulting services. In most instances consultant costs will benefit all programs operated by the provider. Care must be exercised in prorating the cost of consultant services to the programs that benefit from those services.

Enter the share of consultant costs which is allocated to the proposed Program in the space indicated on the budget form. **Attach a detail sheet to your budget submission that describes the nature of these consultant costs.**

Telephone. Cost allocation of phone charges can be averted if the phones used by proposed Program personnel are separately billed by the phone company. If phone charges cannot be isolated by provider program, then an allocation methodology must be developed to prorate expenses across all provider programs. Enter the share of telephone costs assignable to the proposed Program in the space provided on the budget form.

Postage. Enter the cost of postage for the proposed Program.

Advertising/Recruiting. Advertising, except for the purposes of recruiting staff, is not an allowable cost. Enter advertising costs on your budget form only if it is for the purpose of recruiting proposed Program staff.

Printing and Reproduction. Enter the cost of printing and reproducing proposed Program materials.

Office Supplies. Office supplies for the proposed Program should be stored and maintained in the proposed Program work space to prevent the commingling of these items with office supplies for other programs. Enter the cost of office supplies for proposed Program functions.

Equipment Rental. Equipment rental contracts should be executed on a program by program basis to avoid commingling of equipment between programs. A copy of the equipment rental agreements for the proposed Program should be maintained on site for periodic review by DSAMH personnel. Enter in the space provided on the budget form the total of equipment rental contracts for the proposed Program.

Equipment Repair/Maintenance. Enter the cost of equipment repair and maintenance for proposed Program equipment.

Other Operating Costs. Cost elements which could not be classified elsewhere as an operating cost should be entered in this budget line. **A detailed description of the items budgeted for this cost category must be attached to the budget form.**

Enter the cost of any requested equipment and/or other capital expenditures requested. As per guidelines and instructions presented previously, such expenses are not allowable for some programs using a unit-rate payment mechanism (although interest and depreciation are allowable). Attach a detailed listing, including justification, of proposed equipment and capital purchases requested as cost-reimbursable items. [This item is generally not allowable with regard to the program sought under **HSS -11-017**, but limited dollars may be considered].

Total Operating Costs. Sum all entries made relating to operating expenses (i.e., Items 49 through 59) and enter the total in the space provided.

Total Direct Program Costs. Total Direct Program Costs are the sum of:

- Total Direct Personnel and Fringe Benefit Costs (Item 16)
- Total Staff Travel and Training Costs (Item 21)
- Total Occupancy Costs (Item 32)
- Total Transportation Costs (Item 40)
- Total Client Costs (Item 48)
- Total Operating Costs (Item 59).

Sum the entries for each of these subtotals and enter the amount in the space provided for Item 60.

Allocation of Indirect Costs. Discussion of indirect costs presented previously describes the procedures for creating an Indirect Cost Pool and allocating the Indirect Cost Pool to the individual programs operated by the provider.

Providers operating multiple programs must calculate their Indirect Cost allocation to the proposed Program. These providers should then multiply their Total Direct Program Cost (Item 60) on the budget worksheet by (12.0 percent). The lesser of 12.0 percent of Total Direct Program Costs or the calculated share of Indirect Costs assignable to the proposed Program should be entered as the provider's indirect cost.

Total Program Cost. Add Total Direct Program Costs (Item 60) and the Allocation of Indirect Cost (Item 61) and enter this sum in the space indicated. This number is the amount of funds you expect to require in order to operate the total program for the budget period (Item 5).

Total Other Income Applied. Item 22 instructions for the budget requested that providers identify other income that will be provided to the proposed Program. Enter the Total of other income to be applied to the program in the space indicated for Item 63.

Total DSAMH Contract Request. Enter the difference between Total Program Cost (Item 62) and the Total Other Income Applied (Item 63). This represents the

Contract amount which is being requested from DSAMH in support of the budgeted Program for the budget period (Item 5).

Other Sources of Income. The sources of any Other Income to be applied (Item 63) must be specified. The amount anticipated from each source must be estimated.

APPENDIX B:

BIDDERS SIGNATURE FORM

DELAWARE HEALTH AND SOCIAL SERVICES

REQUEST FOR PROPOSAL

BIDDERS SIGNATURE FORM

NAME OF BIDDER:_____
SIGNATURE OF AUTHORIZED PERSON:_____
TYPE IN NAME OF AUTHORIZED PERSON:_____
TITLE OF AUTHORIZED PERSON:_____
STREET NAME AND NUMBER:_____
CITY, STATE, & ZIP CODE:_____
CONTACT PERSON:_____
TELEPHONE NUMBER:_____
FAX NUMBER:_____
DATE:_____
BIDDER'S FEDERAL EMPLOYERS IDENTIFICATION NUMBER:_____

THE FOLLOWING MUST BE COMPLETED BY THE VENDOR:

AS CONSIDERATION FOR THE AWARD AND EXECUTION BY THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES OF THIS CONTRACT, THE (COMPANY NAME)_____ HEREBY GRANTS, CONVEYS, SELLS, ASSIGNS, AND TRANSFERS TO THE STATE OF DELAWARE ALL OF ITS RIGHTS, TITLE AND INTEREST IN AND TO ALL KNOWN OR UNKNOWN CAUSES OF ACTION IT PRESENTLY HAS OR MAY NOW HEREAFTER ACQUIRE UNDER THE ANTITRUST LAWS OF THE UNITED STATES AND THE STATE OF DELAWARE, RELATING THE PARTICULAR GOODS OR SERVICES PURCHASED OR ACQUIRED BY THE DELAWARE HEALTH AND SOCIAL SERVICES DEPARTMENT, PURSUANT TO THIS CONTRACT.

APPENDIX C:

CERTIFICATION SHEET

DELAWARE HEALTH AND SOCIAL SERVICES
REQUEST FOR PROPOSAL

CERTIFICATION SHEET

As the official representative for the proposer, I certify on behalf of the agency that:

a. They are a regular dealer in the services being procured.

b. They have the ability to fulfill all requirements specified for development within this RFP.

c. They have independently determined their prices.

d. They are accurately representing their type of business and affiliations.

e. They will secure a Delaware Business License.

f. They have acknowledged that no contingency fees have been paid to obtain award of this contract.

g. The Prices in this offer have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other contractor or with any competitor;

h. Unless otherwise required by Law, the prices which have been quoted in this offer have not been knowingly disclosed by the contractor and prior to the award in the case of a negotiated procurement, directly or indirectly to any other contractor or to any competitor; and

i. No attempt has been made or will be made by the contractor in part to other persons or firm to submit or not to submit an offer for the purpose of restricting competition.

j. They have not employed or retained any company or person (other than a full-time bona fide employee working solely for the contractor) to solicit or secure this contract, and they have not paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the contractor) any fee, commission percentage or brokerage fee contingent upon or resulting from the award of this contract.

k. They (check one) operate ___an individual; _____a Partnership ____a non-profit (501 C-3) organization; _____a not-for-profit organization; or _____for profit corporation, incorporated under the laws of the State of _____.

l. The referenced proposer has neither directly or indirectly entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this bid submitted this date to Delaware Health and Social Services.

m. The referenced bidder agrees that the signed delivery of this bid represents the bidder's acceptance of the terms and conditions of this invitation to bid including all Specifications and special provisions.

n. They (check one): _____are; _____are not owned or controlled by a parent company. If owned or controlled by a parent company, enter name and address of parent company:

_____
_____
_____
_____

Violations and Penalties:

Each contract entered into by an agency for professional services shall contain a prohibition against contingency fees as follows:

1. The firm offering professional services swears that it has not employed or retained any company or person working primarily for the firm offering professional services, to solicit or secure this agreement by improperly influencing the agency or any of its employees in the professional service procurement process.

2. The firm offering the professional services has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working primarily for the firm offering professional services, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this agreement; and

3. For the violation of this provision, the agency shall have the right to terminate the agreement without liability and at its discretion, to deduct from the contract price, or otherwise recover the full amount of such fee, commission, percentage, gift or consideration.

The following conditions are understood and agreed to:

a. No charges, other than those specified in the cost proposal, are to be levied upon the State as a result of a contract.

b. The State will have exclusive ownership of all products of this contract unless mutually agreed to in writing at the time a binding contract is executed.

Date	Signature & Title of Official Representative
	Type Name of Official Representative

APPENDIX D

STATEMENTS OF COMPLIANCE FORM

DELAWARE HEALTH AND SOCIAL SERVICES

REQUEST FOR PROPOSAL

STATEMENTS OF COMPLIANCE FORM

As the official representative for the contractor, I certify on behalf of the agency that_____ _____ (Company Name) will comply with all Federal and Delaware laws and regulations pertaining to equal employment opportunity and affirmative action. In addition, compliance will be assured in regard to Federal and Delaware laws and regulations relating to confidentiality and individual and family privacy in the collection and reporting of data.

Authorized Signature:_____

Title:_____

Date:_____

APPENDIX E
FINANCIAL PRACTICES SELF REPORT

CONTRACT AGENCY: _____

DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH

FINANCIAL PRACTICES
PRE-AUDIT MONITORING SURVEY
SELF-REPORT

1. Do you maintain a **summary of total program funding and a breakdown of approximate funding by source**?

   Yes _____ No _____

   Comments: _____

2. Is your type of accounting system cash [ ] or accrual [ ]?

   Comments: _____

3. Does your **Chart of Accounts** include a description of the accounts, numeric and word components and the topical organization of the accounting system?

   Yes ___ No _____

   Comments: _____

4. Do you maintain the following **accounting records**? (Check those maintained)

General Ledger	____	Journals	____
Subsidiary Ledgers	____	Checkbooks	____
Payroll Records	____	Bank Statements	____
Paid & Unpaid Invoices	____	Funds Receivable	____
Accounts Payable	____	Time Sheets	____
Supportive Documentation	____	Petty Cash	____
Payroll Registers	____	Proof of Payroll	____
Cancelled Checks	____	Tax Payments	____

Comments: _____

_____

_____

_____

5. What type of **financial statements**, frequency, and distribution of financial statements are maintained by the program? Who reviews and approves financial statements? (List)

Type	Frequency	Distributed by	Reviewed/ Approved By

(Use additional pages as necessary)

6. Does the program have a person or persons responsible for the preparation and review of the program budget?

Yes _____ No _____ Name _____

Comments: _____

_____

_____

_____

a. What are the procedures for preparing the **overall program budget**? (Summarize)

_____

_____

_____

_____

_____

_____

_____

b. What are the procedures for estimating the projected income? (Summarize)

_____

_____

_____

c. What are the procedures for periodic budget review and adjustments? (Summarize)

_____

_____

_____

7. What are your procedures for: a) receipt of funds (receiving-recording-depositing), b) disbursement of funds (supporting document flow), c) authorizing signatures, and d) check writing procedures? (Summarize)

a. _____

_____

_____

b. _____

_____

_____

c. _____

_____

_____

d. _____

_____

_____

_____

8. What are your procedures for purchasing?

a) Solicitation and bids for service

_____

_____

_____

b) Receipt and inspection of goods (Summarize)

_____

_____

_____

9. What is your procedure for payroll processing?

a. Is the payroll manual [ ] or automated [ ]?

b. What is the payroll period; weekly, monthly, etc.?

Comments: _____

_____

_____

_____

c. Does the **payroll record** include time sheets __, payroll register __ and employee individual earning records __?

Comments: _____

_____

_____

_____

d. Payroll automation - does it include approval of time sheets __, signature on payroll checks __ and payroll taxes __?

Comments: _____

_____

_____

_____

10. Petty cash procedures:

a. What are the allowable uses of the petty cash fund? (Summarize)

_____

_____

_____

_____

b. Are there standard forms and procedures for using the petty cash fund? (Summarize)

_____

_____

_____

_____

c. What is the maximum balance maintained in petty cash fund?

_____

_____

_____

_____

d. What are the limits on individual transactions?

_____

_____

e. What are the procedures for reconciling and replenishing the petty cash fund? (Summarize)

_____

_____

11. Billing for services:

a. What are the procedures for determining client/consumer fees? (Summarize)

_____

_____

_____

_____

b. Do you maintain a schedule of fees? (Comments)

c. How is the client informed about the fee schedule? (Summarize)

d. How is client ability to pay determined? (Summarize)

e. How is receipt of client fees documented? (Summarize)

f. What are the procedures for billing clients? (Summarize)

g. What are the procedures for billing third-party payers? (Summarize)

h. What are the procedures for handling delinquent accounts? (Summarize)

_____

_____

12. Internal Controls

What are the internal management mechanisms for safeguarding the assets of the organization and for preventing and detecting errors? Do the contractor controls include:

a. Written Fiscal/Financial Practice Policies and Procedures?

Yes ____ No ___

Are these Policies and Procedures regularly reviewed and revised as necessary?

Yes ____ No ____

b. Separation of functional responsibilities?

Yes ____ No ___

Comments: _____

_____

_____

_____

2 c. Accurate and complete book of accounts?

Comments: _____

_____

_____

_____

d. Financial reports?

Yes ____ No ___

Comments: _____

_____

_____

e. Proper documentation?

Yes _____ No _____

Comments: _____

_____

_____

f. Annual audit?

Yes _____ No _____

Comments: _____

_____

_____

g. Bonding of employees handling money?

Yes _____ No _____

Comments: _____

_____

_____

13. Corporation Data:

Do you maintain the **following documents** up to date?

		YES	NO
a.	**Fidelity Bond**		
b.	**Insurance Policies for property** Liability Vehicle		
c.	**IRS Form 501C – Tax Exempt Status**		
d.	**IRS Form 4161 – Social Security Waiver**		
e.	**IRS Form 990 – Organization Exempt from Tax**		
f.	**IRS Form 941 – Qtly. Rpt. of Federal Withholding**		
g.	**Delaware Annual Franchise Tax Rpt**		
h.	**Delaware Unemployment Compensation & Disability Insurance Report**		
i.	**Delaware Forms (VCE - UC8A) W1-W3 Report of State Withholding**		
j.	**Contracts for Purchased Services (i.e. Rent, etc.)**		
k.	**Malpractice/Liability insurance to protect agency/staff against lawsuits brought by recipients of services**		
l.	**Corporate Documentation (e.g.: Certificate(s) of Incorporation; By-laws; Policy & Procedures; etc.)**		
m.	**Business license [State(s)]**		

14. Property Management:

a. Do you maintain an inventory of furnishings, office equipment, and other capital property?

Yes _____ No _____

Does the inventory show? (check all that apply)

Purchase or acquisition date	
Purchase Price	
Source of funds for purchase	
Identification number of item (serial number, model number, etc.	
Condition of item	
Location of item	
Date of loss, destruction or other disposition of item	

b. Is the inventory kept up-to-date?

Yes _____ No _____
How often is the inventory updated? _____

Who is responsible for keeping the inventory?

_____

15. Indirect/Administrative Cost

a. Does your agency charge an indirect/administrative cost to any of the programs or projects conducted or operated by the agency?

Yes _____ No _____

b. How do you determine the indirect cost pool for the agency? (Briefly summarize)

_____

_____

_____

Does the agency have a written policy on the development/application of indirect/administrative charges?

Yes _____ No _____

16. Survey Completed by _____

Title/Position_____

Signature_____ Date _____

APPENDIX F
Non-Collusion Statement

NON-COLLUSION STATEMENT & CLASSIFICATIONS FORM
THIS PAGE MUST BE SIGNED, NOTARIZED AND RETURNED WITH YOUR BID PROPOSAL

COMPANY NAME_____
NAME OF AUTHORIZED REPRESENTATIVE (Please print)_____
SIGNATURE_____
COMPANY ADDRESS_____
TELEPHONE #_____
FAX #_____
EMAIL ADDRESS_____
FEDERAL EI# _____STATE OF DE BUSINESS LIC#_____

Note: Signature of the authorized representative MUST be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Delaware Health and Social Services.

This is to certify that the above referenced offer has neither directly nor indirectly entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this bid submitted this date to Delaware Health and Social Services.

The above referenced bidder agrees that the signed delivery of this bid represents the bidder's acceptance of the terms and conditions of this invitation to bid including all specifications and special provisions

---

Organization Classifications (Please circle)
Women Business Enterprise (WBE) Yes/No
Minority Business Enterprise (MBE) Yes/No
Disadvantaged Business Enterprise (DBE) Yes/No
PLEASE CHECK ONE---CORPORATION _____ PARTNERSHIP_____INDIVIDUAL _____

For appropriate certification (WBE), (MBE) please apply to Office of Minority and Women Business Enterprise Phone # (302) 739-4206 L. Jay Burks, Executive Director Fax# (302) 677-7086 Certification #_____ Certifying Agency_____

SWORN TO AND SUBSCRIBED BEFORE ME THIS _____DAY OF _____20_____

NOTARY PUBLIC_____MY COMMISION EXPIRES _____

CITY OF _____COUNTY OF _____STATE OF_____

Internet address: http://www.state.de.us/dhss/rfp/dhssrfp.htm
http://www.state.de.us/dhss/dhss.htm

Definitions

The following definitions are from the State Office of Minority and Women Business Enterprise.

Women Owned Business Enterprise (WBE):
At least 51% is owned by women, or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by women; or any business enterprise that is approved or certified as such for purposes of participation in contracts subject to women-owned business enterprise requirements involving federal programs and federal funds.

Minority Business Enterprise (MBE):
At least 51% is owned by minority group members; or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by minority group members; or any business enterprise that is approved or certified as such for purposes of participation in contracts subjects to minority business enterprises requirements involving federal programs and federal funds.

Corporation:
An artificial legal entity treated as an individual, having rights and liabilities distinct from those of the persons of its members, and vested with the capacity to transact business, within the limits of the powers granted by law to the entity.

Partnership:
An agreement under which two or more persons agree to carry on a business, sharing in the profit or losses, but each liable for losses to the extent of his or her personal assets.

Individual:
Self-explanatory

For certification in one of above, the bidder must contract:
L. Jay Burks
Office of Minority and Women Business Enterprise
(302) 739-4206
Fax (302) 739-1965

Verification of certification must be submitted with bid/proposal (s) for Delaware Health and Social Services, Procurement.

APPENDIX G

Contract Boilerplate

DELAWARE HEALTH
AND SOCIAL SERVICES

CONTRACT # _____
BETWEEN
[DIVISION NAME HERE]
DELAWARE DEPARTMENT OF HEALTH & SOCIAL SERVICES,
AND
[Contractor]
FOR
[TYPE OF SERVICE]

A. Introduction

1. This contract is entered into between the Delaware Department of Health and Social Services (the Department), Division of _____ (Division) and _____ (the Contractor).

2. The Contract shall commence on _____ and terminate on _____ unless specifically extended by an amendment, signed by all parties to the Contract. Time is of the essence. (Effective contract start date is subject to the provisions of Paragraph C. 1. of this Agreement.)

B. Administrative Requirements

1. Contractor recognizes that it is operating as an independent Contractor and that it 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 injury 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, resulting from, or arising out of any act of omission on the part of the Contractor in their negligent performance under this Contract.

2. The Contractor shall maintain such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this Contract. The Contractor is an independent contractor and is not an employee of the State.

3. During the term of this Contract, the Contractor shall, at its own expense, carry insurance with minimum coverage limits as follows:

a) Comprehensive General Liability $1,000,000

and

	b) Medical/Professional Liability	$1,000,000/ $3,000,000
or	c) Misc. Errors and Omissions	$1,000,000/$3,000,000
or	d) Product Liability	$1,000,000/$3,000,000

All contractors must carry (a) and at least one of (b), (c), or (d), depending on the type of service or product being delivered.

If the contractual service requires the transportation of Departmental clients or staff, the contractor shall, in addition to the above coverage, secure at its own expense the following coverage:

e) Automotive Liability (Bodily Injury)	$100,000/$300,000
f) Automotive Property Damage (to others)	$ 25,000

4. Not withstanding the information contained above, the Contractor shall indemnify and hold harmless the State of Delaware, the Department and the Division from contingent liability to others for damages because of bodily injury, including death, that may result from the Contractor's negligent performance under this Contract, and any other liability for damages for which the Contractor is required to indemnify the State, the Department and the Division under any provision of this Contract.

5. The policies required under Paragraph B. 3. must be written to include Comprehensive General Liability coverage, including Bodily Injury and Property damage insurance to protect against claims arising from the performance of the Contractor and the contractor's subcontractors under this Contract and Medical/Professional Liability coverage when applicable.

6. The Contractor shall provide a Certificate of Insurance as proof that the Contractor has the required insurance. The certificate shall identify the Department and the Division as the "Certificate Holder" and shall be valid for the contract's period of performance as detailed in Paragraph A. 2.

7. The Contractor acknowledges and accepts full responsibility for securing and maintaining all licenses and permits, including the Delaware business license, as applicable and required by law, to engage in business and provide the goods and/or services to be acquired under the terms of this Contract. The Contractor acknowledges and is aware that Delaware law provides for significant penalties associated with the conduct of business without the appropriate license.

8. The Contractor agrees to comply with all State and Federal licensing standards and all other applicable standards as required to provide services under this Contract, to assure the quality of services provided under this Contract. The Contractor shall immediately notify the Department in writing of any change in the status of any accreditations, licenses or certifications in any jurisdiction in which they provide services or conduct business. If this change in status regards the fact that its accreditation, licensure, or certification is suspended, revoked, or otherwise impaired in any jurisdiction, the Contractor understands that such action may be grounds for termination of the Contract.

a) If a contractor is under the regulation of any Department entity and has been assessed Civil Money Penalties (CMPs), or a court has entered a civil judgment against a Contractor or vendor in a case in which DHSS or its agencies was a party, the Contractor or vendor is excluded from other DHSS contractual opportunities or is at risk of contract termination in whole, or in part, until penalties are paid in full or the entity is participating in a corrective action plan approved by the Department.

A corrective action plan must be submitted in writing and must respond to findings of non-compliance with Federal, State, and Department requirements. Corrective action plans must include timeframes for correcting deficiencies and must be approved, in writing, by the Department.

The Contractor will be afforded a thirty (30) day period to cure non-compliance with Section 8(a). If, in the sole judgment of the Department, the Contractor has not made satisfactory progress in curing the infraction(s) within the aforementioned thirty (30) days, then the Department may immediately terminate any and/or all active contracts.

9. Contractor agrees to comply with all the terms, requirements and provisions of the Civil Rights Act of 1964, the Rehabilitation Act of 1973 and any other federal, state, local or any other anti discriminatory act, law, statute, regulation or policy along with all amendments and revision of these laws, in the performance of this Contract and will not discriminate against any applicant or employee or service recipient because of race, creed, religion, age, sex, color, national or ethnic origin, disability or any other unlawful discriminatory basis or criteria.

10. The Contractor agrees to provide to the Divisional Contract Manager, on an annual basis, if requested, information regarding its client population served under this Contract by race, color, national origin or disability.

11. This Contract may be terminated in whole or part:

a) by the Department upon five (5) calendar days written notice for cause or documented unsatisfactory performance,

b) by the Department upon fifteen (15) calendar days written notice of the loss of funding or reduction of funding for the stated Contractor services as described in Appendix B,

c) by either party without cause upon thirty (30) calendar days written notice to the other Party, unless a longer period is specified in Appendix A.

In the event of termination, all finished or unfinished documents, data, studies, surveys, drawings, models, maps, photographs, and reports or other material prepared by Contractor under this contract shall, at the option of the Department, become the property of the Department.

In the event of termination, the Contractor, upon receiving the termination notice, shall immediately cease work and refrain from purchasing contract related items unless otherwise instructed by the Department.

The Contractor shall be entitled to receive reasonable compensation as determined by the Department in its sole discretion for any satisfactory work completed on such documents and other materials that are usable to the Department. Whether such work is satisfactory and usable is determined by the Department in its sole discretion.

Should the Contractor cease conducting business, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or assets, or shall avail itself of, or become subject to any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or protection of the rights of creditors, then at the option of the Department, this Contract shall terminate and be of no further force and effect. Contractor shall notify the Department immediately of such events.

12. Any notice required or permitted under this Contract shall be effective upon receipt and may be hand delivered with receipt requested or by registered or certified mail with return receipt requested to the addresses listed below. Either Party may change its address for notices and official formal correspondence upon five (5) days written notice to the other.

To the Division at:

Division name here
address
address
Attn:

To the Contractor at:

_____

_____

_____

13. In the event of amendments to current Federal or State laws which nullify any term(s) or provision(s) of this Contract, the remainder of the Contract will remain unaffected.

14. This Contract shall not be altered, changed, modified or amended except by written consent of all Parties to the Contract.

15. The Contractor shall not enter into any subcontract for any portion of the services covered by this Contract without obtaining prior written approval of the Department. Any such subcontract shall be subject to all the conditions and provisions of this Contract. The approval requirements of this paragraph do not extend to the purchase of articles, supplies, equipment, rentals, leases and other day-to-day operational expenses in support of staff or facilities providing the services covered by this Contract.

16. This entire Contract between the Contractor and the Department is composed of these several pages and the attached Appendix ___.

17. This Contract shall be interpreted and any disputes resolved according to the Laws of the State of Delaware. Except as may be otherwise provided in this contract, all claims, counterclaims, disputes and other matters in question between the Department and Contractor arising out of or relating to this Contract or the breach thereof will be decided by arbitration if the parties hereto mutually agree, or in a court of competent jurisdiction within the State of Delaware.

18. In the event 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 provides particular goods or services to the Contractor that impact the budget for this Contract, Contractor agrees to reimburse the State of Delaware, Department of Health and Social Services for the pro-rata portion of the damages awarded that are attributable to the goods or services used by the Contractor to fulfill the requirements of this Contract. In the event Contractor refuses or neglects after reasonable written notice by the Department to bring such antitrust action, Contractor shall be deemed to have assigned such action to the Department.

19. Contractor covenants that it presently has no interest and shall not acquire any interests, direct or indirect, that would conflict in any manner or degree with the performance of this Contract. Contractor further covenants that in the performance of this contract, it shall not employ any person having such interest.

20. Contractor covenants that it has not employed or retained any company or person who is working primarily for the Contractor, to solicit or secure this agreement, by improperly

influencing the Department or any of its employees in any professional procurement process; and, the Contractor has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working primarily for the Contractor, any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this agreement. For the violation of this provision, the Department shall have the right to terminate the agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration.

21. The Department shall have the unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data, or other materials prepared under this Contract. Contractor shall have no right to copyright any material produced in whole or in part under this Contract. Upon the request of the Department, the Contractor shall execute additional documents as are required to assure the transfer of such copyrights to the Department.

If the use of any services or deliverables is prohibited by court action based on a U.S. patent or copyright infringement claim, Contractor shall, at its own expense, buy for the Department the right to continue using the services or deliverables or modify or replace the product with no material loss in use, at the option of the Department.

22. Contractor agrees that no information obtained pursuant to this Contract may be released in any form except in compliance with applicable laws and policies on the confidentiality of information and except as necessary for the proper discharge of the Contractor's obligations under this Contract.

23. 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 authorized representatives of all parties and attached to the original Contract.

24. If the amount of this contract listed in Paragraph C2 is over $25,000, the Contractor, by their signature in Section E, is representing that the Firm and/or its Principals, along with its subcontractors and assignees under this agreement, are not currently subject to either suspension or debarment from Procurement and Non-Procurement activities by the Federal Government.

C. Financial Requirements

1. The rights and obligations of each Party to this Contract are not effective and no Party is bound by the terms of this contract unless, and until, a validly executed Purchase Order is approved by the Secretary of Finance and received by Contractor, *if required by the State of Delaware Budget and Accounting Manual***,** and all policies and procedures of the Department of Finance have been met. The obligations of the Department under this

Contract are expressly limited to the amount of any approved Purchase Order. The State will not be liable for expenditures made or services delivered prior to Contractor's receipt of the Purchase Order.

2. Total payments under this Contract shall not exceed $ _____ in accordance with the budget presented in Appendix ___. Payment will be made upon receipt of an itemized invoice from the Contractor in accordance with the payment schedule, if any. The contractor or vendor must accept full payment by procurement (credit) card and or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions. Contractor is responsible for costs incurred in excess of the total cost of this Contract and the Department is not responsible for such costs.

3. The Contractor is solely responsible for the payment of all amounts due to all subcontractors and suppliers of goods, materials or services which may have been acquired by or provided to the Contractor in the performance of this contract. The Department is not responsible for the payment of such subcontractors or suppliers.

4. The Contractor shall not assign the Contract or any portion thereof without prior written approval of the Department and subject to such conditions and revisions 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.

5. Contractor shall maintain books, records, documents and other evidence directly pertinent to performance under this Contract in accordance with generally accepted accounting principles and practices. Contractor shall also maintain the financial information and data used by Contractor in the preparation of support of its bid or proposal. Contractor shall retain this information 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 one (1) year following the termination of such litigation. The Department shall have access to such books, records, documents, and other evidence for the purpose of inspection, auditing, and copying during normal business hours of the Contractor after giving reasonable notice. Contractor will provide facilities for such access and inspection.

6. The Contractor agrees that any submission by or on behalf of the Contractor of any claim for payment by the Department shall constitute certification by the Contractor that the services or items for which payment is claimed were actually rendered by the Contractor or its agents, and that all information submitted in support of the claims is true, accurate, and complete.

7. 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.

8. When the Department desires any addition or deletion to the deliverables or a change in the services to be provided under this Contract, it shall so notify the Contractor. The Department will develop a Contract Amendment authorizing said change. The Amendment shall state whether the change shall cause an alteration in the price or time required by the Contractor for any aspect of its performance under the Contract. Pricing of changes shall be consistent with those prices or costs established within this Contract. Such amendment shall not be effective until executed by all Parties pursuant to Paragraph B.14.

D. Miscellaneous Requirements

1. *If applicable*, the Contractor agrees to adhere to the requirements of DHSS Policy Memorandum # 46, (PM # 46, effective 3/11/05), and divisional procedures regarding the reporting and investigation of suspected abuse, neglect, mistreatment, misappropriation of property and significant injury of residents/clients receiving services, including providing testimony at any administrative proceedings arising from such investigations. The policy and procedures are included as Appendix _____ to this Contract. It is understood that adherence to this policy includes the development of appropriate procedures to implement the policy and ensuring staff receive appropriate training on the policy requirements. The Contractor's procedures must include the position(s) responsible for the PM46 process in the provider agency. Documentation of staff training on PM46 must be maintained by the Contractor.

2. The Contractor, including its parent company and its subsidiaries, and any subcontractor, including its parent company and subsidiaries, agree to comply with the provisions of 29 Del. Code, Chapter 58: "Laws Regulating the Conduct of Officers and Employees of the State," and in particular with Section 5805 (d): "Post Employment Restrictions."

3. *When required by Law*, Contractor shall conduct child abuse and adult abuse registry checks and obtain service letters in accordance with 19 Del. Code Section 708; and 11 Del. Code, Sections 8563 and 8564. Contractor shall not employ individuals with adverse registry findings in the performance of this contract.

4. *If applicable*, the Contractor agrees to adhere to the requirements of DHSS Policy Memorandum # 40, and divisional procedures regarding conducting criminal background checks and handling adverse findings of the criminal background checks. This policy and procedure are included as Appendix _____ to this Contract. It is understood that adherence to this policy includes the development of appropriate procedures to implement the policy and ensuring staff receive appropriate training on the policy requirements. The Contractor's procedures must include the title of the position(s) responsible for the PM40 process in the contractor's agency.

5. *If applicable*, the Contractor agrees to adhere to the requirements of DHSS Policy Memorandum # 36 (PM #36, effective 9/24/2008), and divisional procedures regarding minimal requirements of contractors who are engaging in a contractual agreement to develop community based residential arrangements for those individuals served by

Divisions within DHSS. This policy and procedure are included as Appendix ____ to this Contract. It is understood that adherence to this policy includes individuals/entities that enter into a contractual arrangement (*contractors*) with the DHSS/Division to develop a community based residential home(s) and apartment(s). Contractors shall be responsible for their subcontractors' adherence with this policy and related protocol(s) established by the applicable Division.

6. All Department campuses are tobacco-free. Contractors, their employees and sub-contractors are prohibited from using any tobacco products while on Department property. This prohibition extends to personal vehicles parked in Department parking lots.

E. Authorized Signatures:

For the Contractor:

_____
Signature

_____
Name (please print)

_____
Title

_____
Date

For the Department:

_____
Rita M. Landgraf
Secretary

_____
Date

For the Division:

_____
[**Division Director Name Here**]

_____
Date

CONTRACT APPENDIX A

APPENDIX A

Division Requirements

The Contractor certifies, to the best of its knowledge and belief, that all services provided under this contract shall be in compliance with all the terms, requirements and provisions of:

I. Federal requirements

A. The following Federal Mandates:

1. The Drug-Free Workplace Act of 1988;

2. The Americans with Disabilities Act (PL 101-336).

3. P.L. 103-227, Sections 1041-1044,20 U.S.C. Sections 6081-6084, also known as the Pro-Children Act of 1994.

4. Title IX of the Education Amendment of 1972 (45 CFR 86) which provides, in general, that no person shall on the basis of sex be excluded from program participation.

5. The Contractor agrees to maintain the confidentiality of all clients in accordance with 42 U.S.C. 290 dd-3 and/or 42 U.S.C. 290 ee-3.

B. Capacity of treatment for intravenous substance abusers.

1. Programs that receive funding under the grant and that treat individuals for intravenous substance abuse to provide to the State, upon reaching 90 percent of its capacity to admit individuals to the program, a notification of that fact within seven days. In carrying out this section, the Contractor shall establish a capacity management program which reasonably implements this section--that is, which enables any such program to readily report to DSAMH when it reaches 90 percent of its capacity--and which ensures the maintenance of a continually updated record of all such reports and which makes excess capacity information available to such programs.

2. The Contractor shall ensure that each individual who requests and is in need of treatment for intravenous drug abuse is admitted to a program of such treatment not later than—

(a) 14 days after making the request for admission to such a program; or

(b) 120 days after the date of such request, if no such program has the capacity to admit the individual on the date of such request and if interim services, including referral for prenatal care, are made available to the individual not later than 48 hours after such request.

3. In carrying out subsection (b), the Contractor shall establish a waiting list management program which provides systematic reporting of treatment demand. The Contractor shall establish a waiting list that includes a unique patient identifier for each injecting drug abuser seeking treatment including those receiving interim services, while awaiting admission to such treatment. For individuals who cannot be placed in comprehensive treatment within 14 days, the Contractor shall ensure that the program provide such individuals interim services as defined in Sec. 96.121 and ensure that the programs develop a mechanism for maintaining contact with the individuals awaiting admission. The Contractor shall also ensure that the programs consult the capacity management system as provided in paragraph (a) of this section so that patients on waiting lists are admitted at the earliest possible time to a program providing such treatment within reasonable geographic area.

4. In carrying out paragraph (b)(2) of this section the Contractor shall ensure that all individuals who request treatment and who can not be placed in comprehensive treatment within 14 days, are enrolled in interim services and those who remain active on a waiting list in accordance with paragraph (c) of this section, are admitted to a treatment program within 120 days. If a person cannot be located for admission into treatment or, if a person refuses treatment, such persons may be taken off the waiting list and need not be provided treatment within 120 days. For example, if such persons request treatment later, and space is not available, they are to be provided interim services, placed on a waiting list and admitted to a treatment program within 120 days from the latter request.

5. The Contractor shall carry out activities to encourage individuals in need of such treatment to undergo such treatment. The Contractor shall use outreach models that are scientifically sound, or if no such models are available which are applicable to the local situation, to use an approach which reasonably can be expected to be an effective outreach method. The model shall require that outreach efforts include the following:

(a) Selecting, training and supervising outreach workers;
(b) Contacting, communicating and following-up with high risk substance abusers, their associates, and neighborhood residents, within the constraints of Federal and State confidentiality requirements, including 42 C.F.R. Part 2;
(c) Promoting awareness among injecting drug abusers about the

relationship between injecting drug abuse and communicable diseases such as HIV;

(d) Recommend steps that can be taken to ensure that HIV transmission does not occur; and

(e) Encouraging entry into treatment.

6. All entities receiving Block Grant funds must follow procedures relating to the Human immune deficiency virus as approved or specified by DSAMH.

C. Requirements regarding tuberculosis.

1. Contractor shall follow procedures developed by the DSAMH in consultation with the State Medical Director for Substance Abuse Services, and in cooperation with the State Department of Health/Tuberculosis Control Officer, which address how the program—

(a) Will, directly or through arrangements with other public or nonprofit private entities, routinely make available tuberculosis services as defined in Sec. 96.121 to each individual receiving treatment for such abuse;

(b) In the case of an individual in need of such treatment who is denied admission to the program on the basis of the lack of the capacity of the program to admit the individual, will refer the individual to another provider of tuberculosis services; and

(c) Will implement infection control procedures established by the principal agency of a State for substance abuse, in cooperation with the State Department of Health/Tuberculosis Control Officer, which are designed to prevent the transmission of tuberculosis, including the following:

(1) Screening of patients;

(2) Identification of those individuals who are at high risk of becoming infected; and

(3) Meeting all State reporting requirements while adhering to Federal and State confidentiality requirements, including 42 CFR part 2; and

(d) will conduct case management activities to ensure that individuals receive such services.

D. Treatment services for pregnant women.

1. The Contractor shall ensure that each pregnant woman who seeks or is referred for and would benefit from such services is given preference in admissions to treatment facilities receiving funds pursuant to the grant. In carrying out this section, the Contractor will provide preference to pregnant women. Programs which serve an injecting drug abuse population and who receive Block Grant funds shall give preference to treatment as follows:

   (a) Pregnant injecting drug users;
   (b) Pregnant substance abusers;
   (c) Injecting drug users; and
   (d) All others.

2. The Contractor will, in carrying out this provision publicize the availability to such women of services from the facilities and the fact that pregnant women receive such preference. This may be done by means of street outreach programs, ongoing public service announcements (radio/television), regular advertisements in local/regional print media, posters placed in targeted areas, and frequent notification of availability of such treatment distributed to the network of community based organizations, health care providers, and social service agencies.

3. The Contractor shall in carrying out paragraph (a) of this section require that, in the event that a treatment facility has insufficient capacity to provide treatment services to any such pregnant woman who seeks the services from the facility, the Contractor shall refer the woman to DSAMH EEU for referrals. This may be accomplished by establishing a capacity management program, utilizing a toll-free number, an automated reporting system and/or other mechanisms to ensure that pregnant women in need of such services are referred as appropriate. The Contractor shall maintain a continually updated system to identify treatment capacity for any such pregnant women and will establish a mechanism for matching the women in need of such services with a treatment facility that has the capacity to treat the woman.

4. The Contractor, in the case of each pregnant woman for whom a referral under paragraph (a) of this section is made to the State—

   (a) will refer the woman to a treatment facility that has the capacity to provide treatment services to the woman; or
   (b) will, if no treatment facility has the capacity to admit the woman, make available interim services, including a referral for prenatal care, available to the woman not later than 48 hours after the woman seeks the treatment services.

5. Procedures for the implementation of this section shall be developed in consultation with the State Medical Director for Substance Abuse Services.

E. The Contractor agrees that any and all experimentation with human subjects involving any physical or mental risk to those subjects shall be prohibited without the prior written approval of DSAMH, subject to all applicable laws, statutes, and regulations including, but not limited to, 42 U.S.C. Section 3515b (relating to prohibitions on funding certain experiments involving human participants), and voluntary, informed consent of each subject in writing. If the subject is a minor, or incompetent, a voluntary informed consent of his/her parents or legal guardian shall be required. The Contractor shall inform each potential subject prior to his/her consent that refusal of consent will not result in the loss of any benefits to which the subject is otherwise entitled from the federal government, State of Delaware, DSAMH, the Contractor or any third party insurer.

F. The Contractor assures DSAMH that the Contractor or anyone employed by the Contractor has **not** been excluded from any federal or state health care program. The Contractor also assures DSAMH that the Contractor or anyone employed by the Contractor are **not** on the Cumulative Sanction List, List of Excluded Individuals/Entities (LEIE) or any other related database. The Contractor Agrees to notify DSAMH immediately if the Contractor or any of its employees are place on any database that excludes them from federal or state health care programs.

G. Certification regarding lobbying – Contractors receiving federal funds exceeding $100,000 in total costs (45 CFR Part 93) certify that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the contractor, 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.

2. If any funds other than Federal 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 the Federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

3. The Contractor shall require that the language of this Certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, 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 the certification is a prerequisite for making or entering into this transaction imposed by Sec 1352, Title 31, U.S.C. 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.

H. Certification Regarding Debarment and Suspension

Contractor certifies to the best of his or her knowledge and belief, that the applicant, defined as the primary participant in accordance with 45 CFR Part 76, and its principals:

1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;

2. have not within a 3-year period preceding this proposal 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;

3. 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 paragraph 2 of this certification; and

4. have not within a 3-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

II. State Requirements

A. The Substance Abuse Treatment Act (16 Del. C; Chapter 22) as amended;

B. The Contractor shall comply with 16 Del. C.; Chapter 9 regarding the reporting of suspected child abuse and/or neglect. Client confidentiality provisions of this contract shall not apply to reporting of child abuse and/or neglect in compliance with Delaware laws.

C. The Contractor agrees to determine the applicability of 16 Del. Code Chapter 11; Sec. 1141 and 1142 (regarding criminal background checks and drug testing law relating to hiring of employees of nursing homes and similar facilities) to the services provided under this contract and, if applicable, to comply with all of the requirements therein.

III. Health Insurance Portability & Accountability Act (HIPAA)

DSAMH (Covered Entity) and Contractor (Business Associate) wish to comply with the provisions of 45 C.F.R. §160.101 et seq. ("Privacy Regulations") and 45 C.F.R. §164.308 et seq. ("Security Regulations") regarding the appropriate use and disclosure of Protected Health Information under this contract (Original Contract).

A. Definitions**.** The terms used in this Business Associate Agreement ("Agreement") shall have the same meaning as those terms are used in HIPAA, 45 CFR § 160 et seq. and 45 CFR § 164.308 et seq.

B. Permitted uses and Disclosures of Protected Health Information**.** Business Associate will not use or further disclose any Protected Health Information except in the provision of services to Covered Entity as specifically authorized under the Original Contract, including without limitation any use or disclosure which would violate the provisions of the Privacy Regulations. Notwithstanding the foregoing, Business Associate may use and disclose Protected Health Information to provide data aggregation services related to the healthcare operations of Covered Entity. Business Associate may also use and disclose Protected Health Information in the proper management and administration of Business Associate and to carry out its legal responsibilities, provided that the use and disclosure is either required by law or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of information has been breached.

C. Responsibilities of Business Associate. Business Associate will:

1. Not use or further disclose Protected Health Information other than as permitted or required by the Original Contract or as required by law, including without limitation, the Privacy Regulations and any applicable State law;

2. Protected Health Information other than as provided for in the Use appropriate safeguards to prevent use or disclosure of Original Contract;

3. Implement administrative, physical, and technical safeguards that reasonably protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Covered Entity.(d) Report to Covered Entity any use or disclosure of Protected Health Information not provided for in the Original Contract of which it becomes aware;

4. Ensure that any agents, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of, the Covered Entity agrees to the same restrictions and conditions that apply to Business Associate with respect to Protected Health Information. Further any agent or subcontractor must agree to implement reasonable and appropriate safeguards to protect electronic protected health information.

5. Make available for inspection and copying Protected Health Information to an individual about such individual in accordance with 45 C.F.R § 164.524;

6. Make available Protected Health Information to an individual about such individual for amendment and incorporate any amendments to Protected Health Information in accordance with 45 C.F.R. § 164.526;

7. Make available Protected Health Information required to provide an accounting of disclosures in accordance with 45 C.F.R. §164.528;

8. Make its internal practices, books, and records relating to the use an disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary of HHS to whom the authority involved has been delegated for purposes of determining the Covered Entity's compliance with privacy Regulations; and

9. At termination of the Original Contract, if feasible, return all Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity that Business Associates still maintains in any form and retain no copies of such Protected Health information or, if return is not feasible, extend the protections of the Original Contract and this Agreement to the information and limit further uses and disclosures to those purposes that make the return of the protected Health Information infeasible.

D. Other Arrangements

1. If a business associate is required by law to perform a function or activity on behalf of a covered entity or to provide a service described in the definition of business associate as specified in §160.103 of this subchapter to a covered entity, the covered entity may permit the business associate to create, receive, maintain or transmit electronic protected health information on its behalf to the extent necessary to comply with the legal mandate without meeting the requirements of (a) (2) (1) of §164.314, provided that the covered entity attempts in good faith to obtain satisfactory assurances as required by paragraph (a)(2)(ii)(A) of §164.314, and documents the attempt and the reasons that these assurances cannot be obtained.

2. The covered entity may omit from its other arrangements authorization of the termination of the contract by the covered entity, as required by paragraph (a)(2)(i)(D) of §164.314 if such authorization is inconsistent with the statutory obligations of the covered entity or its business associate.
3. Termination of Agreement. This HIPAA Agreement and the Original Contract may be terminated by Covered Entity if Covered Entity determines that Business Associate has violated a material term of this Agreement. The provisions of Paragraphs 1 and 2 hereof shall survive any termination of this Agreement and/or the Original Contract.
4. Miscellaneous. This HIPAA Agreement contains the final and entire agreement of the parties and supersedes all prior and/or contemporaneous understandings and may not be modified or amended unless such modification is in writing and signed by both parties and their successors, administrators and permitted assigns. All personal pronouns used in this Agreement whether used in masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa. Title of Paragraphs are utilized for convenience only and neither limit nor amplify the provisions of this Agreement itself. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the reminder of this affected thereby and shall be enforced to the greatest extent permitted by law.

IV. Department of Health and Social Services Requirements

A. The Contractor shall ensure that its liability insurance extends coverage to such members of its governing and/or advisory boards as may be potentially liable for damages by virtue of their official position, service to, or otherwise apparent or presumed relationship to the Contractor and/or the services provided by the Contractor under the terms of this contract.

B. The Contractor agrees to comply with the following Delaware Health & Social Services Policy Memorandums as applicable.

1. Policy Memorandum # 5 Client Confidentiality
2. Policy Memorandum # 7 – Client Service Waiting Lists
3. Policy Memorandum # 24 – Safeguarding & Management of Resident/Client funds
4. Policy Memorandum # 37 – Standard Ability to Pay Fee Schedule
5. Policy Memorandum # 55 – Human Subjects Review Board

V. DSAMH Requirements

A. Monitoring

1. The Contractor agreed to comply with DSAMH's monitoring/audit protocol and to submit documents necessary to comply with such protocol.

2. Contractor shall have a documented process to investigate allegations of abuse and/or neglect.

3. The Contractor, if providing Non–Residential services under the terms of this contract to consumers/clients NOT covered by Department of Health and Social Services Policy Memorandum #46, shall establish and implement policy and standardized written procedures for the reporting, investigation and follow-up of all incidents involving suspected non-residential consumer/client abuse, neglect, mistreatment, financial exploitation or significant injury/death. The Contractor shall provide to DSAMH an annual report of all incidents involving suspected non-residential consumer/client abuse, neglect, mistreatment, financial exploitation or significant injury/death. The annual report shall summarize the number, type and outcome of all reported incidents.

4. The Contractor shall notify DSAMH of any and all deaths of consumers/clients receiving services under the terms of this contract as soon as possible following the Contractor's becoming aware of the death. All such reports shall be based on an internal review and/or investigation to determine the circumstances of the death. The report shall be made not more than two working days following the Contractor's becoming aware of the consumer/client death.

B. Licensing

1. The Contractor agrees to comply with DSAMH's Licensure Standards and to submit documents necessary to comply with such standards.

2. The Contractor must timely respond in writing to any DSAMH-initiated program licensure survey report findings and/or recommendations following receipt of DSAMH's written conveyance of such findings/recommendations to the Contractor.

C. Training and Education

The Contractor agrees to provide training and education opportunities for employees at all levels of the organization to meet the evolving needs of the fields of substance abuse and mental health services. Training/education emphasis in the following areas:

Cultural Competence	Workforce Development
Suicide Prevention	All Hazard Preparedness and Response
Leadership/Management in a Recovery Environment	Administrative and Clinical Supervision
Ethics	Community/Other Program Collaboration
Evidence Based Practices	Trauma and Violence
Co-occurring with Emphasis on a Recovery Environment	HIV/AIDS & Hepatitis

D. Fiscal

1. If applicable, purchase of any individual unit of capital property with a value in excess of $1,000 with funds wholly or in part from any cost reimbursement portion of this contract must have prior written approval from DSAMH. Title to any capital property acquired with funds wholly or in part from any cost reimbursement portion of this contract shall revert to DSAMH upon the termination of services provided under this or subsequent renewal contracts(s). With respect to capital property acquired with funds wholly or in part from any cost reimbursement portion of this Contract, the Contractor agrees to maintain detailed inventory of all such capital property and to submit a property inventory each quarter, indicating any new purchase(s) made during the quarter and a full inventory of all such property not later than thirty (30) days following the termination of this contract. The full inventory must indicate any loss, destruction or disposal of property appearing on any previous inventory. The contractor shall not transfer ownership of, sell,

destroy, divert to use or purpose other than that of which purchased, or relocate such inventory items without prior written approval by DSAMH.

2. Upon notice given to the Contractor's Executive Director or his/her designee, representatives of DSAMH or other duly authorized State or Federal agency shall inspect, monitor, audit and/or evaluate the program's fiscal records or other material relative to this contract.

3. DSAMH agrees to provide funds for the Contractor's delivery of staff and services (as described in Appendix B in accordance with the approved budget (Appendix C). However, this provision is expressly subject to the understanding that DSAMH will not pay for services which: (1) have not been rendered, (2) cannot be verified as having been provided, according to standard DSAMH monitoring/audit procedures, (3) have not been provided by DSAMH-approved agencies/programs, (4) have been provided to persons not authorized by DSAMH, (5) have been provided to persons of less than 18 years of age unless such persons have been approved in writing by DSAMH as eligible to receive services under this contract, (6) have been paid for by MEDICAID/MEDICARE, by other third-party payers and/or by or on behalf of the recipient of services, and/or (7) are a benefit offered as a covered service in any healthcare plan under which the client has been determined to be covered or for which the client has been found to be eligible unless such clients are specifically approved in writing by DSAMH as eligible to receive services under this contract.

4. The Contractor shall charge fees and will be expected to make reasonable efforts to collect such fees from all liable first and/or third party payer(s) for non-Medicaid clients receiving services for which reimbursement/payment is requested from DSAMH under terms of this contract. The maximum fee so charged to Non-Medicaid clients for Program Services shall not exceed the Fee-for-Service rate paid by Medicaid for services provided to Medicaid clients, except that such maximum fee limitation shall be waived with respect to billings made to third-party payers (legitimate and generally recognized insurance carriers) which have recognized and approved an alternate fee structure. The disposition of any such fees collected will be subject to further written agreement between the Contractor and DSAMH. In the absence of such further agreement, all such fees shall be returned to DSAMH on or before the termination date of this contract. A current listing of Accounts Receivable must be maintained, and a copy forwarded to DSAMH on request, indicating Accounts Receivable Outstanding and Uncollected. Notice of a Fee Schedule shall be posted in a prominent place in each facility stating the availability and location of the schedule. The fee schedule will show base prices for the principal services and any change that may occur in such prices. The fee schedule shall be available for public inspection and a copy shall be

furnished to the Internal Revenue Service upon request. The Contractor further agrees to provide DSAMH such policies as pertain to fee schedules, collection of fees and understandings with patients or patents' families concerning third party liability.

5. The Contractor shall not refuse service provided under the terms of this contract to any individual on the basis of such individual's inability to pay for service in whole or in part.

6. Upon termination or expiration of this contract all unexpended cost reimbursement funds involved on an accrual based system will be returned to DSAMH, Department of Health and Social Services.

7. In the event of loss of funding or reduction of funding available to DSAMH for services purchased under the terms of this contract, and in lieu of termination of the contract in its entirety, DSAMH and the Contractor may mutually agree to negotiate a reduction in funding and services and amend this contract in a manner consistent with the nature, amount and circumstances of the loss or reduction of funds.

8. The Contractor shall establish and implement policy and procedure to assure that client income, insurance status, and related ability-to-pay for services can be timely determined following initial contact. Clients whose income is determined to be less that ten percent (10.0%) in excess of that level which would qualify them for benefits under Medicaid/Medicare eligibility guidelines in Delaware must be advised and encouraged to apply for such benefits. DSAMH may withhold, deny, or request return of payments made to the Contractor for services provided to clients: a) whose income is determined to be less than ten percent (10.0%) in excess of that level which would qualify them for benefits under the Medicaid program in Delaware and who have not applied for such benefits within sixty (60) days of admission into the program offered by the Contractor under the terms of this contract OR, b) who have not appropriately enrolled to receive benefits with thirty (30) days after having been determined to be eligible for Medicaid benefits.

9. The Contractor's financial records must adequately reflect all direct and indirect administrative and service costs expended in the performance of this contract. The funds received and expended under this contract shall be accounted for and recorded by the Contractor in order to permit auditing and accounting for all expenditures in conformity with the terms and provision of this contract and State and Federal laws and regulations.

10. The Contractor's fiscal records and accounts, including those involving other programs which, by virtue of cost or material resources sharing, are substantially

related to this contract, shall be subject to audit by duly authorized federal and state officials.

11. The Contractor must have an annual audit, conducted by an independent auditor, and provide DSAMH with a copy of the most recently completed annual audit, including any related financial statements and management letters, not later than November 1 of the original term of this contract and any extensions thereof, as applicable. Any DSAMH initiated audit shall neither obviate the need for, nor restrict the Contractor from conducting required annual corporate audit(s). Financial statements are to be prepared in accordance with appropriate generally accepted accounting principles. Contractor audits must be performed in accordance with generally accepted auditing principles and, when required, comply with the requirements of the (Federal) Office of Management and Budget (OMB) Circular A-133.

12. The Contractor agrees to monitor all expenditures of funds by any subcontractor, including verification of services rendered. The Contractor understands it shall be accountable for all sources of funds and all expenditures of funds for all agencies/programs receiving any funds under the provisions of this contract.

13. Both DSAMH and the Contractor understand and agree that any budget that is part of this contract is presented in mutual realization that costs associated with program operation and related activities are good faith estimates and that this contract will be subject to administrative line-item budget adjustments as actual costs are determined provided that the contractor requests, and DSAMH approves, such adjustments prior to their implementation. Line-item adjustment requests and approvals must be documented in writing for adjustments in excess of 10% per category.

14. The Contractor acknowledges that DSAMH required all entities receiving in excess of $499,999.99 per annum (cumulative) in State payments through contracts with DSAMH and/or Medicaid payments for DSAMH-related services must obtain/retain accreditation from an accreditation body recognized by and acceptable to DSAMH. The Contractor further acknowledged and agrees that any failure to obtain/retain required accreditation will be considered good cause under the termination provisions of this contract.

E. General

1. The Contractor agrees to provide the staff and services (as described in Appendixes) and to seek reimbursement for services provided according to the terms and conditions set forth in this contract. Delaware residents shall be

given priority over residents of other states in determining eligibility for services provided under this contract.

2. The Contractor agrees to acknowledge in any communication involving the public, the media, the legislature or others outside of DSAMH that the services provided under the terms of this contract are funded by and are part of the system of public services offered by DSAMH.

3. The Contractor agrees to participate in the DSAMH reporting and identification system and to use such forms as are approved/required by or supplied by DSAMH. Any modifications to the approved forms must have prior authorization from DSAMH.

4. The Contractor agrees to maintain such participant record systems as are necessary and required by DSAMH and/or federal mandate to document services. Program record systems shall be compatible with existing DSAMH systems, including the management information system (MIS), be based on project objectives and measure and track the movement of clients through the program.

5. The Contractor agrees to provide DSAMH copies of such records, statistics and other data required for research, evaluation, client follow-up, training needs assessment and program or financial monitoring or audit.

6. DSAMH retains the specific right of access to all treatment records, plans, reviews and essentially similar materials that relate to the services provided to clients/consumers under the terms of this contract. DSAMH shall be entitled to make and retain possession of copies of any treatment records, plans, reviews and essentially similar materials which relate to the services provided to clients/consumers under the terms of this contract and the contractor shall not restrict DSAMH from such possession.

7. All services provided by the Contractor under the terms of this contract must be made available to all persons who can be reasonably expected to meaningfully participate in and benefit from such services. Services shall not be withheld from any individual solely on the basis of that individual's mental or emotional illness (es) or the adequate and appropriate medical measures to control said illness (es).

8. The Contractor shall have a disaster response plan in conjunction with DSAMH's Planning, Evaluation and Program Development Unit and to coordinate with DSAMH in the event that implementation of either the Contractor's or DSAMH's disaster response plan is required.

The disaster preparedness and response plan is to be all-hazards. The disaster plan is to be implemented for internal (to the Contractor) events and for events external to the Contractor but which also impact Contractor operations. The all-hazard disaster plan must include provisions for continuity of operations plans (COOP). COOP addresses planning for events that create a significant staff reduction and or staff response/availability such as but not limited to pandemic influenza.

Copies of the Contractor's all-hazard disaster preparedness and response plan are to be submitted as an appendix to DSAMH's disaster preparedness and response plan. Updated plans are to be submitted upon execution of contracts, at contract renewals, and contract extensions.

9. The Contractor agrees that no employee, board member, or representative of the Contractor, either personally or through an agent, shall solicit the referral of clients to any facility or program in a manner, which offers or implies an offer of rebate to persons referring clients or other fee-splitting inducement. This applies to contents of fee-schedules, billing methods, or personal solicitation. No person or entity involved in the referral of clients may receive payment or other inducement by a facility/program or its representatives.

10. The Contractor and DSAMH mutually understand and agree that DSAMH may at any time elect to seek another provider to provide the services required by this contract. In the event that DSAMH selects another provider, the Contractor agrees and shall be required to cooperate fully in the development and execution of an orderly and coordinated close-out of the Contractor's program operation to ensure the continuity of appropriate client care during the transition to another service provider.

11. The Contractor agrees to apportion the delivery of services as described in Appendix B in a manner which will assure the reasonable availability of services throughout the term of this contract and to exercise management practices sufficient to facilitate such availability. DSAMH reserves the right to delay or withhold payment for services delivered in a manner which appears to significantly threaten such reasonable availability of services throughout the term of this contract provided, however, that subject to other applicable provisions of this contract, such delayed or withheld payments will not be denied unless payment would result in total payments for services in excess of contract amount.

12. The Contractor shall develop and periodically update a Cultural Competence Plan (CC Plan) to be submitted to DSAMH on request. Such plan shall address all components set forth in DSAMH's cultural competence standards as presented as an attachment to this contract.