



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

**REQUEST FOR PROPOSAL NO. HSS -11-054**

**FOR**

**GAMBLING PREVENTION ACROSS THE LIFESPAN, AND TREATMENT  
SERVICES FOR ADULT RESIDENTS OF DELAWARE**

**FOR**

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

**AND**

|                  |        |
|------------------|--------|
| Deposit          | Waived |
| Performance Bond | Waived |

**Date Due: June 15, 2011  
11:00 A.M. LOCAL TIME**

**A mandatory Pre-bid meeting will be held on Wednesday, May 4, 2011 at 11:00 a. m. at Herman Holloway Campus, 1901 N. Dupont Highway, 23 Mitchell Lane, Springer Building, Classrooms 1 & 2, 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 or e-mailing: DHSS\_DMS\_DMSprocure@state.de.us**

## **REQUEST FOR PROPOSAL # HSS 11-054**

Proposals for **GAMBLING PREVENTION ACROSS THE LIFESPAN, AND TREATMENT SERVICES FOR ADULT RESIDENTS OF DELAWARE** 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 **Wednesday, June 15, 2011 at 11:00 a.m.** At which time the proposals will be opened and read.

A **mandatory Pre-bid meeting** will be held on **Wednesday, May 4, 2011 at 11:00 a.m.** **Herman Holloway Campus, 1901 N. Dupont Highway, 23 Mitchell Lane, Springer Building, Classrooms 1& 2, 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."

Each proposer must supply the names of a minimum of three (3) references familiar with the background and qualifications of the proposers and its ability to implement the proposed program. Addresses and phone numbers of the references must be included, as well as a description of the capacity in which the reference knows the proposer.

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 11-054**) 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  
2<sup>ND</sup> 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  
GAMBLING PREVENTION**

**FOR**

**DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH**

**Availability of Funds**

DSAMH will make one award for the Public Information and Prevention activities and one award for Early Intervention and Treatment activities. **However, applicants may respond for both core services in one bid with one budget, or applicants who bid for only one component will submit a budget for that component only.** It is expected that administrative costs will be maximized for applicants submitting one bid for both components. There is a maximum of \$1,285,000.00. The maximum allotment for Public Information and Prevention Services is \$790,000.00 The maximum allotment for Early Intervention and Treatment Services is \$495,000.00 Treatment services will be based on a fee for service rate structure further defined in the business proposal requirements of this RFP.

DSAMH will enter into a 24-month contract with the successful applicant. The program will be eligible for up to 3 one year renewals as long as sufficient funding remains available to DSAMH for Gambling Prevention and Treatment Services, and performance is satisfactory as defined by contractual compliance and successfully meeting the agreed upon performance measures as noted later in this RFP.

DSAMH will be soliciting proposals to conduct a Gambling Evaluation/Needs Assessment in the next few months. The successful applicant for the Public Information and Prevention activities and the Early Intervention and Treatment Activity contract will be required to participate in the evaluation/needs assessment and will be required to modify the program scope of services and/or operating budget based on the outcome of the evaluation/needs assessment as requested by DSAMH.

**Pre-bid Meeting**

A Pre-bid meeting will be required. The meeting will be on **Wednesday, May 4, 2011 at 11:00 a.m.** at the following location.

Herman M. Holloway Sr. Campus  
Springer Building  
23 Mitchell Lane  
Classrooms 1 & 2  
1901 North DuPont Highway  
New Castle, Delaware 19720

All bidders who wish to bid on this proposal must be present and 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.

All questions are due by 4:30 p.m. on **Monday, May 9, 2011**. Questions received prior to the Pre-Bid meeting will 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.

### **Consultants and Legal Counsel**

The State of Delaware may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors' responses. Bidders shall not contact consultant or legal counsel on any matter related to the RFP.



# REQUEST FOR PROPOSAL

FOR

## GAMBLING PREVENTION

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<sup>1</sup>:

- ◆ 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.

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

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<sup>1</sup> <http://dhss.delaware.gov/dhss/main/dhssdivs.html>

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 Health and Social Services, Division of Substance Abuse and Mental Health (DSAMH), is seeking proposals from qualified social services agencies to administer and manage a statewide network of gambling prevention across the lifespan, and treatment services for adult residents of Delaware who are 18 years and older.

## **A. TARGET POPULATION/DSAMH ELIGIBLE CLIENTS**

Public Information and Prevention services are designed to reach as broad a population as possible. For Early Intervention and Treatment Services, adult residents of Delaware who are uninsured or whose health/behavioral health care insurance does not cover gambling treatment, are eligible to be served and funded by DSAMH as a result of this RFP. The successful applicant will provide gambling treatment services to individuals who either score positive on the Lie Bet screener or meet five or more of the DSM-IV criteria for Pathological Gambling (312.21) and who score a five or more on the South Oaks Gambling Screen (SOGS). The successful applicant can provide justification to provide gambling specific treatment for clients who score less than a five on the SOGS. Treatment services will include individual and group counseling and case management services. The successful applicant will also provide psycho-education and early intervention services to individuals who meet less than five DSM-IV criteria for Pathological Gambling and who score one through four on the SOGS.

Referrals may be accepted from a variety of sources, including but not restricted to:

- Outpatient treatment programs
- Gambling Education, Information and Training Service Provider
- Criminal Justice System
- Walk-ins, family member referrals
- AOD Day Treatment Programs
- Delaware's Racinos

Treatment for special population groups having distinct needs influenced by gender, age, cultural affiliation, etc., should be provided with cultural sensitivity and recognition of the differences among individuals.

To ensure treatment is available for historically underserved groups, preference will be given to applicants who are successful in proposing innovative strategies to engage the special populations listed below:

- Individuals diagnosed with co-occurring behavioral health illnesses
- Older adults
- Criminal justice population
- Ethnic and cultural minority groups
- Women
- Non-English speaking individuals

Family members of these individuals will also be eligible to receive services under this contract as long as the identified gambler remains in treatment.

## II. Scope of Service

Interested Applicants may choose to bid on either or both:

### A. Public Information and Prevention Services,

#### NOTE TO BIDDERS:

**Applicants should be knowledgeable of the Institute of Medicine Prevention strategies and incorporate throughout their planning and implementation of Prevention Services.**

The successful applicant will develop a written annual plan to be submitted with their application, of designed public information, education and outreach activities with specific details of deliverables. The plan will include activities of public information, education and outreach specifically designed to:

- Reach elementary, middle and high school students, and students of higher education.
- Additionally include providing public information, education and outreach at a minimum of 20 fairs, community events and gatherings in New Castle County, and 12 in each of Kent and Sussex Counties.
- Target outreach to minority and bi-lingual communities in both city, suburban and rural areas.
- Present information on problem gambling and pathological gambling, and treatment interventions to at least 6 culturally and ethnically diverse groups per year.
- Additionally target persons 55 years or older in public information, education and outreach and be able to report on numbers reached.
- Target outreach where gambling activities are known, available or suspected.
- Present at least one consumer or advocacy group each month.
- Present to at least 6 faith based or civic organizations annually.

#### 1. Media

The applicant will present an annual 12 month media and public awareness campaign that is designed to increase the awareness of problem gambling and will report monthly on these activities. An annual report will be completed by May 1 of the contract year. Specific (not inclusive) activities will include:

- Regular consultation with a stakeholders media committee.
- Establishing a contractual arrangement with an established media companies, or directly provide, to develop and distribute specific media materials (bus banners, cable “crawl”, promotional materials etc...).

- Establishing a theme for the campaign that all promotional activities will reference.
- Working collaboratively with other state, regional and national networks that target problem gambling and effective treatment in particular the annual National Problem Gambling Awareness Week.
- Promoting information about problem gambling to the general public through media interviews at least 6 times locally and two times nationally annually.
- Producing and disseminating press releases as needed.
- Other related activities.

## 2. School Based Prevention and Education Program

The applicant will operate a school based prevention and education program to reach youth with potential gambling problems. It is expected that the applicant will cite and utilize any best practice/evidence based intervention. A plan of activities will be complete by the end of October each year. Activities will include:

- Developing, updating and distributing criteria to be used with public school youth regarding education about gambling behaviors and potential consequences.
- Visiting every High School wellness center in the state at least twice per year to consult, update and distribute current materials to staff.
- Operating a comprehensive Gambling Addiction Prevention Program in all Delaware high schools on the subject of compulsive gambling including the following: 1) a prevention education booklet to be given to every high school student in the state, 2) a teacher guideline instructional booklet to assist teachers to impart this information to students and 3) On-Site training to teachers on appropriate teaching methods:
- Collaborating with staff and residents at Ferris School, Detention Centers, Level IV cottages and Division of Prevention and Behavioral Health (DSCYF) adolescent residential treatment centers on special projects addressing the development of problem gambling. A minimum of 5 activities targeting these population groups is required.
- Contacting all private and parochial middle and high schools to assure the dissemination of gambling prevention materials and being available for presentations.

### 3. Training

- Work in collaboration with DSAMH Training office to provide 15 gambling related trainings to health professionals, human service workers and others statewide between October 1, 2011 and June 30, 2012
- Utilize local and national resources to ensure that all topic areas related to national certification are covered
- Offer trainings in all three counties to ensure accessibility
- Utilize training opportunities nationwide to assist trainers in learning evidence based and best practices in prevention and treatment intervention.
- Offer information and education on problem gambling at all three Racinos for the benefit of their employees and work with the Racinos to establish a cooperative communication process to assist with reinforcement of their self-exclusion policies for problem gamblers.

### 4. Criminal Justice

- Collaborate with law enforcement agencies, Public Defender's and Attorney General's offices, Mental Health, TASC and other specialized Courts and community providers to integrate education on problem gambling into Re-entry and other related programs.
- Provide educational programs on problem gambling for targeted populations and other related at-risk populations of the criminal justice system.
- Develop and refine methods for screening, assessment and referral of individuals with problem gambling or at risk of developing problem gambling in the Criminal Justice system

### **Performance Measures:**

DSAMH will be instituting performance based contracting for Public Information and Prevention Services. In the application, the applicant must identify measurable and monthly performance goals for each of the five components:

- a. Public Information, Education and Outreach;
- b. Media;
- c. School Based Prevention and Education Program,
- d. Training
- e. Criminal Justice.

Goals must include monthly targets for each of the five (5) Public Information and Prevention Services components. Upon agreement by DSAMH of the targets, 10 % of the allocated budget (for direct and indirect costs) for each of the components will be held back each month. Upon achieving the target, the successful applicant will receive 5% of the hold back. If the targets are exceeded, the additional 5% of the hold back will be issued.

**For each of the Prevention activities, the applicant will then report back on the deliverables monthly and will prepare an annual report on compliance by May 1 of the contract year. Focus will be on number of public information, education and outreach activities as well as number of people served. The applicant must report outcomes of their activities either through pre-post tests when indicated or other objective means of assuring that the target audience is reached and the message is successfully conveyed.**

## **B. Early Intervention and Treatment Services**

### 1. Help Line

- Operate a 24-hour 7 days a week toll free helpline to facilitate access to treatment. The applicant must be able to report the number of calls from within the state of Delaware, as well as break out calls from other states as part of any interstate agreement. Call information from Delaware should be broken down by demographic data such as gender, race, age, county of residence, and how they learned of the contractor's services. Resources from this RFP must be utilized for Delaware residents first and broken out monthly on budget reports.
- Maintain, manage and schedule volunteers and staff who are specially trained to respond to calls for help concerning problem gambling.
- Facilitate at least one training, within three months of the execution of this contract to ensure all people dealing with the helpline are knowledgeable about problem/pathological gambling and are trained in the following: management of crisis calls, use of brief screening instruments, use of updated referral lists to treatment and other community resources, agency suicide protocol, and data collection instruments.
- Conduct brief phone screenings, provide information about problem gambling and the availability of treatment, make appropriate referrals, offer to send literature packets tailored to callers' individual needs and offer call-back services.
- Promote helpline as a direct and effective way to access treatment.

## 2. Treatment Services

DSAMH will contract with one contractor who will be the central and statewide coordinator and referral agent for all gambling treatment services. DSAMH expects the provider of the Gambling Treatment Service Program to develop and maintain a visible presence and actively provide comprehensive treatment services in each county. The successful applicant will make available an 800 or toll free central referral number for all potential recipients. Depending on the location of the caller, he/she will be provided the names, numbers and locations of at least two potential treatment providers. The applicant will also develop a procedure for follow up for the referrals. The successful applicant will establish evidence based and/or best practices to provide treatment services to problem/pathological gamblers and their families.

Service delivery will be coordinated and managed through providers who provide counselors with nationally recognized certification in gambling treatment. The successful applicant organization will be required to provide or offer clinical supervision for the service delivery network of providers and develop a system to measure outcomes. The organization will also be required to develop a collaborative relationship with DSAMH's provider of Public Information and Prevention services (see above) if different from the provider of Early Intervention and Treatment Services. The applicant will be expected to oversee and monitor the quality of the services provided.

By the second year of the execution of this contract, an incentive base will be built in to reward the contractor for increasing the number of individuals who are both referred and begin treatment for problem gambling on a monthly basis, as well as monitoring positive outcomes. All responses to the RFP for Early Intervention and Treatment Services must respond to how the applicant will collect data on unduplicated referrals and individuals starting problem gambling treatment. In addition, by the second year of the contract, the applicant will need to delineate means of measuring outcome and treatment effectiveness. Incentive clauses will be built into measuring appropriate measures of outcome in collaboration with DSAMH.

Gambling Treatment Programs must provide all of the following core services:

- a. Screening/Assessment – The successful applicant will have resources available to help clients connect with appropriate services that meet their individual needs. Qualified staff will screen (using the Lie Bet or DSAMH approved equivalent) and assess individuals to determine the eligibility and



appropriateness for treatment. The DSM-IV criteria for Pathological Gambling and the SOGS will be used to assess the level of need for services.

- b. Individual and Group Counseling –The successful applicant will establish a network of service providers to offer individual and group counseling with gambling specific interventions to aid the individual in the recovery process.
- c. Psycho-education – Group sessions will be developed and provided to educate on the disease concept including relapse, risk factors, triggers and warning signs.
- d. Case Management – Case management will assist the pathological gambler in obtaining additional services that are integral to gambling treatment. Case management will coordinate care and may include assistance with the following:
  - a. Scheduling and keeping appointments
  - b. Self-exclusion from a gaming venue – assist individual to voluntarily exclude themselves from gambling settings
  - c. Debt reduction and financial restitution – assist individual with gambling related debt, initiate a financial plan, teach budgeting skills and develop a plan for financial restitution
  - d. Leisure substitution – fill the time otherwise spent gambling with positive activities
- e. Family Sessions – Regularly scheduled educational or counseling sessions must be provided with family members and significant others whose lives have been impacted by the problem gambler. The program should provide scheduled opportunities for family members to meet the individual’s counselor. Family members are able to attend educational or counseling sessions with other family members and may be invited to join counseling sessions with the problem gambler when appropriate.
- f. Self-Help Meetings – Clients will be strongly encouraged to attend 12-Step meetings as an adjunct to receiving program services. The program will assist clients in finding 12-Step groups that are appropriate for their individual situation.
- g. Criminal Justice Liaison – The applicant will be required to develop a clear and simple process for two-way communication on treatment progress or lack thereof between the counselors and the appropriate criminal justice system officials when appropriate. The process will include a procedure for immediate notification about individuals who drop out of treatment before completion. Counselors must obtain signed consent forms from criminal justice related individuals allowing the counselor to disclose appropriate,

required information to TASC and criminal justice system officials in accordance with confidentiality regulations.

- h. Cultural and Gender Competence – The applicant is expected to assure that:
  - (a) all clients will feel welcome and comfortable while attending any program or receiving services;
  - (b) clinicians and other staff will receive training about cultures other than their own, particularly the cultures of the clients they treat;
  - (c) all individual and group counseling sessions, treatment plans and clinical decision making are always racially, ethnically and culturally specific;
  - (d) women will be provided services designed to meet their individual needs as women in settings where they will be at ease to address gender specific issues;
  - (e) services will be provided to special populations (examples: alternative lifestyles and minority groups) with equity and without bias.
- i. Accessibility - The applicant will annually submit a data analysis and a subsequent Performance Improvement Program to insure there are no access, engagement or treatment barriers across all demographic categories.

**Performance Measures:**

DSAMH will be instituting performance based contracting for Early Intervention and Treatment Services by the second year of the contract if not sooner. In the application, the applicant must identify performance goals for both of the two components:

- a) Help-Line
- b) Treatment

Goals must include monthly targets for each component. Upon agreement by DSAMH of the targets, 10% of the allocated budget (for direct and indirect costs) for each of the components will be held back each month. Upon achieving the target, the successful applicant will receive 5% of the hold back. If the targets are exceeded, the additional 5% of the hold back will be issued.

For each of the Early Intervention and Treatment activities, the successful applicant will then report back on the deliverables monthly and will prepare an annual report on compliance by May 1 of the contract year.

For Early Intervention, the focus will be on numbers of helpline calls, origin of calls referrals for non-treatment and treatment resources, and other appropriate demographics.

For Treatment Services, the applicant must report out on numbers of new unduplicated clients served (intakes), ongoing clients served, numbers of sessions, no –shows for each contractor approved provider. It is expected that the successful

applicant will work with DSAMH to create performance based measures that incorporate outcomes in subsequent contract years. The successful applicant must also list all supervisory and quality assurance activities each month.

### **III. SPECIAL TERMS AND CONDITIONS**

#### **A. Length of Contract**

DSAMH will enter into a 24-month contract with the successful applicant. The program will be eligible for up to 3 one year renewals as long as sufficient funding remains available, and performance is satisfactory as defined by contractual compliance and successfully meeting the agreed upon performance measures as noted later in this RFP.

#### **NOTE TO BIDDERS:**

**DSAMH will be soliciting proposals for a Gambling Evaluation/Needs Assessment in the upcoming months. The successful applicant(s) for the Public Information and Prevention Services contract and for the Early Intervention and Treatment Services contract will be required to participate in the Evaluation/Needs Assessment and modify the scope of services and/or their operating budget based on the outcome of the Evaluation/Needs Assessment as requested by DSAMH.**

#### **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 in Section VI.B of this document.

Ten (10) printed copies of the signed cover letter and one each of the required signature forms with clearly identified sections for the technical proposal and the business proposal. Proposals must be bound, in a three ring binder or stapled. The proposals must clearly indicate that they are in response to the RFP number HSS-11-054.

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 **Wednesday, June 15, 2011 at 11:00 a.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 June 15, 2013. 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 **Monday, May 9, 2011**. Written responses will be faxed or emailed to bidders no later than **Monday, May 16, 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:

| <u>Activity</u>              | <u>Date</u> |
|------------------------------|-------------|
| RFP Advertisement            | 04/15/2011  |
| Pre-bid Meeting              | 05/04/2011  |
| Questions Due                | 05/09/2011  |
| Answers to Questions         | 05/16/2011  |
| Bid Opening                  | 06/15/2011  |
| Selection Process Begins     | 06/16/2011  |
| Vendor Selection (tentative) | 07/01/2011  |
| Project Begins               | 08/2011     |

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**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:**

#### **For Early Intervention and Treatment Services Only:**

|                                           |                  |
|-------------------------------------------|------------------|
| <b>Applicant Experience and Expertise</b> | <b>10 points</b> |
| <b>Proposed Program Design</b>            | <b>40 points</b> |
| <b>Capacity to Meet Requirements</b>      | <b>20 points</b> |
| <b>Implementation Plan</b>                | <b>10 points</b> |
| <b>Business Proposal</b>                  | <b>20 points</b> |

#### **For Public Information and Prevention Services Only:**

|                                           |                  |
|-------------------------------------------|------------------|
| <b>Applicant Experience and Expertise</b> | <b>10 points</b> |
| <b>Proposed Program Design</b>            | <b>40 points</b> |
| <b>Capacity to Meet Requirements</b>      | <b>20 points</b> |
| <b>Implementation Plan</b>                | <b>10 points</b> |
| <b>Business Proposal</b>                  | <b>20 points</b> |

#### **For both components:**

|                                           |                  |
|-------------------------------------------|------------------|
| <b>Applicant Experience and Expertise</b> | <b>10 points</b> |
| <b>Proposed Program Design</b>            | <b>40 points</b> |
| <b>Capacity to Meet Requirements</b>      | <b>20 points</b> |
| <b>Implementation Plan</b>                | <b>10 points</b> |
| <b>Business Proposal</b>                  | <b>20 points</b> |

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.

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.

Proposer must identify the component the proposal addresses. If proposer wishes to be considered for either the Early Intervention and Treatment Services OR the Public Information and Prevention Services components, the technical proposal needs to address the items outlined in each section below and the business proposal should contain only the costs associated with that component. If the proposer wishes to be considered for both components, three separate budgets need to be included in the business proposal (each component separately and one combined).

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 B)
- Contractor Representation, Certification & Acknowledgment (Appendix C)
- Statement of Compliance Form (Appendix D)
- Financial Practices Self Report (Appendix E)
- Non-Collusion Statement (Form F)

## C. TECHNICAL PROPOSAL REQUIREMENTS

### 1. Applicant Organizational Eligibility

#### a. Early Intervention and Treatment Services

- Applicants must have a minimum of 3 documented years of experience in providing and/or overseeing gambling early intervention and treatment services. Applicants who have direct experience operating a 24 hour helpline or hotline could potentially be scored higher.

#### b. Public Information and Prevention Services

- Applicants must have a minimum of 3 documented years of experience in developing and/or providing public information and media campaigns in behavioral health. Applicants must have 3 documented years of experience in providing school based prevention and educational programming in behavioral health. Applicants must have minimum of 3 documented years of experience in providing training in behavioral health. Applicants must have at least one year documented experience working with components and partners of the adult criminal justice system.

#### c. Scope of Services

##### 1) Annual Plan

The successful applicant will develop a written annual plan to be submitted with their application, of designed public information, education and outreach activities with specific details of deliverables. The plan will include activities of public information, education and outreach specifically designed to:

- Reach elementary, middle and high school students, and students of higher education.
- Additionally include providing public information, education and outreach at a minimum of 20 fairs, community events and gatherings in New Castle County, and 12 in each of Kent and Sussex Counties.
- Target outreach to minority and bi-lingual communities in both city, suburban and rural areas.
- Present information on problem gambling and pathological gambling, and treatment interventions to at least 6 culturally and ethnically diverse groups per year.

- Additionally target persons 55 years or older in public information, education and outreach and be able to report on numbers reached.
- Target outreach where gambling activities are known, available or suspected.
- Present at least one consumer or advocacy group each month.
- Present to at least 6 faith based or civic organizations annually.

## 2) Media

The applicant will present an annual 12 month media and public awareness campaign that is designed to increase the awareness of problem gambling and will report monthly on these activities. An annual report will be completed by May 1 of the contract year. Specific (not inclusive) activities will include:

- Regular consultation with a stakeholders media committee
- Establish a contractual arrangement with an established media companies, or directly provide, to develop and distribute specific media materials (bus banners, cable “crawl”, promotional materials etc...)
- Establish a theme for the campaign that all promotional activities will reference
- Work collaboratively with other state, regional and national networks that target problem gambling and effective treatment in particular the annual National Problem Gambling Awareness Week.
- Promote information about problem gambling to the general public through media interviews at least 6 times locally and two times nationally annually.
- Produce and disseminate press releases as needed
- Other related activities

## 3) School Based Prevention and Education Program

i. Describe the best practice/evidence based intervention that will be utilized for the School Based Prevention and Education Program

ii. Scope of services:

Describe how the applicant organization will:

- Develop, update and distribute criteria to be used with public school youth regarding education about gambling behaviors and potential consequences.

- Visit every High School wellness center in the state at least twice per year to consult, update and distribute current materials to staff.
- Operate a comprehensive Gambling Addiction Prevention Program in all Delaware high schools on the subject of compulsive gambling including the following: 1) a prevention education booklet to be given to every high school student in the state, 2) a teacher guideline instructional booklet to assist teachers to impart this information to students and 3) On-Site training to teachers on appropriate teaching methods:
- Collaborate with staff and residents at Ferris School, Detention Centers, Level IV cottages and adolescent Division of Prevention and Behavioral Health (DSCYF) adolescent residential treatment centers on special projects addressing the development of problem gambling. A minimum of 5 activities targeting these population groups is required.
- Efforts must be made to reach all private and parochial middle and high schools to assure the dissemination of gambling prevention materials and be available for presentations.

iii. Training

Describe how the applicant organization will:

- Work in collaboration with DSAMH Training office to provide 15 gambling related trainings to health professionals, human service workers and others statewide between October 1, 2011 and June 30, 2012.
- Utilize local and national resources to ensure that all topic areas related to national certification are covered.
- Offer trainings in all three counties to ensure accessibility.
- Utilize training opportunities nationwide to assist trainers in learning evidence based and best practices in prevention and treatment intervention.
- Offer information and education on problem gambling at all three Racinos for the benefit of their employees and work with the Racinos to establish a cooperative communication process to

assist with reinforcement of their self-exclusion policies for problem gamblers.

iv. Criminal Justice

Describe how the applicant organization will:

- Collaborate with law enforcement agencies, Public Defender's and Attorney General's offices, Mental Health, TASC and other specialized Courts and community providers to integrate education on problem gambling into Re-entry and other related programs.
- Provide educational programs on problem gambling for targeted populations and other related at-risk populations of the criminal justice system.
- Develop and refine methods for screening, assessment and referral of individuals with problem gambling or at risk of developing problem gambling in the Criminal Justice system

v. Performance Measures

Applicant must identify measurable performance goals including monthly targets for each of the five components:

- a. Public Information, Education and Outreach;
- b. Media;
- c. School Based Prevention and Education Program,
- d. Training
- e. Criminal Justice.

4) Staffing

**Personnel Working on the Project**

The proposer must identify staff and staff resources of their organization/agency that will be devoted to the development and operation of the prevention program, including personnel background and experience. The proposer must indicate the specific qualifications that will be required for staff of the program, especially qualifications to provide prevention services.

The proposer must also attach staffing chart, showing all staff positions for the proposed services.



### **Subcontractor List**

If subcontractors will be used, the following types of information should be provided.

- A. Identification of the subcontractor(s)
- B. Purpose
- C. Tasks to be performed
- D. Level of effort to be performed (number of days of work by personnel classification)
- E. Method of financial reimbursement by the proposer to the subcontractor.

Proposers should recognize that they are responsible for the performance of subcontractors. Nothing in this RFP shall create any contractual relation between any sub- or co-contractor and the Division or Department.

Prior approval by DSAMH is required in all instances of subcontracting.

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.

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 to be funded.

#### 5) Facility

The proposer must identify and describe the facility in which the proposed prevention program will be provided.

At a minimum, the proposer must provide:

- The location (street address) of the proposed facility;
- A description of the facility, including a floor plan.
- Documentation that the facility is available to the proposer for the purposes of providing the required services (the proposer must describe the manner in which it has control of the proposed facility).

6) Statement of Assurance

Proposers must provide written assurance that the following conditions will be met.

- a) Availability of IRS Ruling relating to tax exempt status for nonprofit incorporated organizations (as applicable).
- b) Availability of Liability Insurance.
- c) Availability of Auto Insurance. This is required for all vendors who operate any type of transportation vehicle as part of their program.
- d) Civil Rights. Compliance with provisions of Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act, and any other federal or State anti-discriminatory act, law, statute, or regulation.
- e) Policy and Procedures Manual. A statement should be included that the proposer shall develop a written manual covering policies and procedures of the program. A copy of the manual shall be submitted for approval within 45 days from the date of contract award. If the proposer has a current policy and procedures manual which will be used, a copy should be submitted with the proposal..
- f) Statement of Confidentiality. The proposer should either include the statement of client confidentiality in effect for the applicant organization or prepare and include such a statement to be used for the proposed program.
- g) Statement and/or Documentation of Professional Ethical Standards Applied in Organization. The proposer should include the statement of professional standards currently in use by the applicant organization or prepare and include such a statement to be used for the proposed program.

After successful applicants have been notified but before the new contracts begin, DSAMH will conduct a mandatory day-long training session on

data gathering and reporting that will be required of all Primary Prevention Services contractors. Executive directors, lead prevention staff, fiscal officers, and management information specialists from each agency will be required to attend.

- (1) Applicants must indicate in writing in their proposals that they agree to fully comply with DSAMH data collection/reporting requirements, and to attend the training session.

## 2. Early Intervention and Prevention Services

### a. Applicant Organization Eligibility

#### i. Early Intervention and Treatment Services

- Applicants must have a minimum of 3 documented years of experience in providing and/or overseeing gambling early intervention and treatment services. Applicants who have direct experience operating a 24 hour helpline or hotline could potentially be scored higher.

#### ii. Public Information and Prevention Services

- Applicants must have a minimum of 3 documented years of experience in developing and/or providing public information and media campaigns in behavioral health. Applicants must have 3 documented years of experience in providing school based prevention and educational programming in behavioral health. Applicants must have minimum of 3 documented years of experience in providing training in behavioral health. Applicants must have at least one year documented experience working with components and partners of the adult criminal justice system.

### b. Scope of Services

#### i. Helpline

Describe how applicant organization will:

- a) Operate a 24-hour 7 days a week toll free helpline to facilitate access to treatment. The applicant must be able to report the number of calls from within the state of Delaware, as well as break out calls from other states as part of any interstate

agreement. Call information from Delaware should be broken down by demographic data such as gender, race, age, county of residence, and how they learned of the contractor's services. Resources from this RFP must be utilized for Delaware residents first and broken out monthly on budget reports.

- b) Maintain, manage and schedule volunteers and staff who are specially trained to respond to calls for help concerning problem gambling.
- c) Facilitate at least one training, within three months of the execution of this contract to ensure all people dealing with the helpline are knowledgeable about problem/pathological gambling and are trained in the following: management of crisis calls, use of brief screening instruments, use of updated referral lists to treatment and other community resources, agency suicide protocol, and data collection instruments.
- d) Conduct brief phone screenings, provide information about problem gambling and the availability of treatment, make appropriate referrals, offer to send literature packets tailored to callers' individual needs and offer call-back services.
- e) Promote helpline as a direct and effective way to access treatment.

ii. Treatment

Describe evidence based and/or best practices that will be utilized in providing treatment services to problem/pathological gamblers and their families

a) Core Services

Describe how applicant organization will provide the core services outlined in section II (page 12 to 18)

b) Performance Measures

Applicant must identify performance goals, including monthly targets for

- 01. Helpline
- 02. Treatment

### iii. Staffing and Staffing Qualifications

The proposer must identify staff and staff resources of their organization/agency that will be devoted to the development and operation of the prevention program, including personnel background and experience. The proposer must indicate the specific qualifications that will be required for staff of the program, especially qualifications to provide prevention services.

The proposer must also attach staffing chart, showing all staff positions for the proposed services.

### iv. Subcontractors

If subcontractors will be used, the following types of information should be provided.

- A. Identification of the subcontractor(s)
- B. Purpose
- C. Tasks to be performed
- D. Level of effort to be performed (number of days of work by personnel classification)
- E. Method of financial reimbursement by the proposer to the subcontractor.

Proposers should recognize that they are responsible for the performance of subcontractors. Nothing in this RFP shall create any contractual relation between any sub- or co-contractor and the Division or Department.

Prior approval by DSAMH is required in all instances of subcontracting.

### v. Facility

The proposer must identify and describe the facility in which the proposed prevention program will be provided.

At a minimum, the proposer must provide:

- The location (street address) of the proposed facility;
- A description of the facility, including a floor plan.

- Documentation that the facility is available to the proposer for the purposes of providing the required services (the proposer must describe the manner in which it has control of the proposed facility).

vi. Statement of Assurance

Proposers must provide written assurance that the following conditions will be met.

- a) Availability of IRS Ruling relating to tax exempt status for nonprofit incorporated organizations (as applicable).
- b) Availability of Liability Insurance.
- c) Availability of Auto Insurance. This is required for all vendors who operate any type of transportation vehicle as part of their program.
- d) Civil Rights. Compliance with provisions of Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act, and any other federal or State anti-discriminatory act, law, statute, or regulation.
- e) Policy and Procedures Manual. A statement should be included that the proposer shall develop a written manual covering policies and procedures of the program. A copy of the manual shall be submitted for approval within 45 days from the date of contract award. If the proposer has a current policy and procedures manual which will be used, a copy should be submitted with the proposal..
- f) Statement of Confidentiality. The proposer should either include the statement of client confidentiality in effect for the applicant organization or prepare and include such a statement to be used for the proposed program.
- g) Statement and/or Documentation of Professional Ethical Standards Applied in Organization. The proposer should include the statement of professional standards currently in use by the applicant organization or prepare and include such a statement to be used for the proposed program.

After successful applicants have been notified but before the new contracts begin, DSAMH will conduct a mandatory day-long training session on data gathering and reporting that will be required of all Primary Prevention Services contractors. Executive directors, lead prevention staff, fiscal officers, and management information specialists from each agency will be required to attend.

- (1) Applicants must indicate in writing in their proposals that they agree to fully comply with DSAMH data collection/reporting requirements, and to attend the training session.

**D. BUSINESS PROPOSAL REQUIREMENTS**

**THE BUSINESS PROPOSAL MUST BE PRESENTED FOR THE FOLLOWING BUDGET PERIOD:**

- 1) July 1, 2011 – June 30, 2012

**SEPARATE BUDGETS MUST BE SUBMITTED FOR THE EARLY INTERVENTION AND TREATMENT SERVICES COMPONENT AND THE PUBLIC INFORMATION AND PREVENTION SERVICES COMPONENT – IF APPLYING FOR BOTH COMPONENTS, A COMBINED BUDGET MUST ALSO BE SUBMITTED**

**Financial Practices Self-Report**

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

**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**

|                       |  |  |  |  |             |
|-----------------------|--|--|--|--|-------------|
| <b>TOTAL SALARIES</b> |  |  |  |  | <b>0.00</b> |
|-----------------------|--|--|--|--|-------------|

**BENEFITS:**  
**PAYROLL TAX**  
**HEALTH BENEFITS**  
**OTHER FRINGE BENEFITS**

|                       |  |  |  |  |             |
|-----------------------|--|--|--|--|-------------|
| <b>TOTAL BENEFITS</b> |  |  |  |  | <b>0.00</b> |
|-----------------------|--|--|--|--|-------------|

|                              |  |  |  |  |             |
|------------------------------|--|--|--|--|-------------|
| <b>TOTAL SAL. &amp; BEN.</b> |  |  |  |  | <b>0.00</b> |
|------------------------------|--|--|--|--|-------------|

**STAFF TRAVEL & TRNG:**  
**STAFF TRAINING**  
**STAFF MILEAGE**  
**STAFF PUBLIC TRANSP.**  
**OTHER STAFF TRAVEL**

|                     |  |  |  |  |             |
|---------------------|--|--|--|--|-------------|
| <b>TOTAL TRAVEL</b> |  |  |  |  | <b>0.00</b> |
|---------------------|--|--|--|--|-------------|

**OCCUPANCY COSTS:**  
**UTILITIES**  
**RENT/BUILDING USE FEE**  
**REPAIRS/MAINTENANCE**  
**CUSTODIAL SUPPLIES**  
**INSURANCE**  
**OTHER OCCUPANCY**

|                        |  |  |  |  |             |
|------------------------|--|--|--|--|-------------|
| <b>TOTAL OCCUPANCY</b> |  |  |  |  | <b>0.00</b> |
|------------------------|--|--|--|--|-------------|

**TRANSPORTATION COSTS:**  
**GAS & OIL**  
**VEHICLE LEASE**  
**VEHICLE REPAIR/MAINT.**  
**VEHICLE INS. & TAXES**  
**PUBLIC TRANSPORTAT'N**  
**OTHER TRANSP**

|                            |  |  |  |  |             |
|----------------------------|--|--|--|--|-------------|
| <b>TOTAL TRANSP. COSTS</b> |  |  |  |  | <b>0.00</b> |
|----------------------------|--|--|--|--|-------------|

**CLIENT COSTS:**  
**FOOD & GROCERIES**

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

|                           |  |  |  |  |  |             |
|---------------------------|--|--|--|--|--|-------------|
| <b>TOTAL CLIENT COSTS</b> |  |  |  |  |  | <b>0.00</b> |
|---------------------------|--|--|--|--|--|-------------|

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

|                             |  |  |  |  |  |             |
|-----------------------------|--|--|--|--|--|-------------|
| <b>TOTAL OPERATING COST</b> |  |  |  |  |  | <b>0.00</b> |
|-----------------------------|--|--|--|--|--|-------------|

|                             |  |  |  |  |  |             |
|-----------------------------|--|--|--|--|--|-------------|
| <b>TOTAL DIRECT PROGRAM</b> |  |  |  |  |  | <b>0.00</b> |
|-----------------------------|--|--|--|--|--|-------------|

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>INDIRECT COST ALLOC.</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                          |  |  |  |  |  |             |
|--------------------------|--|--|--|--|--|-------------|
| <b>TOTAL PROG. COSTS</b> |  |  |  |  |  | <b>0.00</b> |
|--------------------------|--|--|--|--|--|-------------|

| <b>PLEASE SHOW ALL REVENUE</b> |  |  |  |  |  |             |
|--------------------------------|--|--|--|--|--|-------------|
| MEDICAID REVENUE               |  |  |  |  |  |             |
| MEDICARE REVENUE               |  |  |  |  |  |             |
| CLIENT FEES                    |  |  |  |  |  |             |
| OTHER REV                      |  |  |  |  |  |             |
| DSAMH                          |  |  |  |  |  |             |
| <b>TOTAL REVENUE</b>           |  |  |  |  |  | <b>0.00</b> |

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|

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

**SALARIES & FRINGE BENEFITS**

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**TRAVEL**

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**OCCUPANCY COST**

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**TRANSPORTATION**

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**CLIENT COST**

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CONTRACTOR :  
 PROGRAM NAME:  
 CONTRACT NO. :

FY 11 Personnel Detail Sheet

Staff Roster

| Staff Name                        | Agency Title | Certification Standards Title | Total Agency Salary |               |        | Program Eligible Salary |               |
|-----------------------------------|--------------|-------------------------------|---------------------|---------------|--------|-------------------------|---------------|
|                                   |              |                               | Hrs Per Week        | Annual Salary | OEC's  | Hrs Per Week            | Annual Salary |
| <b>Administrative Staff</b>       |              |                               |                     |               |        |                         |               |
| 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                       |              |                               |                     |               |        |                         |               |
| <b>Total Administrative Staff</b> |              |                               | 0.00                | \$0.00        | \$0.00 | 0.00                    | \$0.00        |
|                                   |              |                               |                     |               | FTE's  | 0.00                    |               |

| <b>Program Staff</b>       | <b>Agency Title</b> | <b>Certification Standards Title</b> |             |               |              |             |               |
|----------------------------|---------------------|--------------------------------------|-------------|---------------|--------------|-------------|---------------|
| 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                |                     |                                      |             |               |              |             |               |
| <b>TOTAL Program Staff</b> |                     |                                      | 0.00        | \$0.00        | \$0.00       | 0.00        | \$0.00        |
|                            |                     |                                      |             |               | FTE's        | 0.00        |               |
| <b>TOTAL Staff</b>         |                     |                                      | <b>0.00</b> | <b>\$0.00</b> | <b>FTE's</b> | <b>0.00</b> | <b>\$0.00</b> |

## **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 not 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.

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

License, Permits, Fee Costs - 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.

Utilities - Utility costs associated with the operation of the proposed Program are allowable costs.

Repair and Maintenance Costs - 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.

Rent - See "Occupancy Costs" (Rental Facilities) above.

Custodial Supplies - 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.

Insurance Costs - 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 -11-054**, 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**

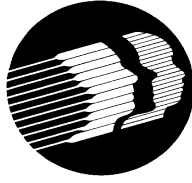
**BIDDERS SIGNATURE FORM**

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.

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Date

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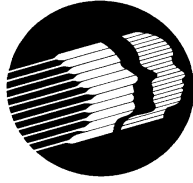
Signature & Title of Official Representative

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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: \_\_\_\_\_

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

Comments: \_\_\_\_\_

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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: \_\_\_\_\_

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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: \_\_\_\_\_

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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/<br>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: \_\_\_\_\_

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

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

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

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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. \_\_\_\_\_

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b. \_\_\_\_\_

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c. \_\_\_\_\_

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d. \_\_\_\_\_

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8. What are your procedures for purchasing?

a) Solicitation and bids for service

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b) Receipt and inspection of goods (Summarize)

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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: \_\_\_\_\_

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

Comments: \_\_\_\_\_

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

Comments: \_\_\_\_\_

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10. Petty cash procedures:

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

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

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

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d. What are the limits on individual transactions?

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

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11. Billing for services:

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

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

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

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

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

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

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

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

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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:** \_\_\_\_\_

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2 c. Accurate and complete book of accounts?

**Comments:** \_\_\_\_\_

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d. Financial reports?

Yes \_\_\_\_\_ No \_\_\_\_\_

**Comments:** \_\_\_\_\_

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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. | <b>Fidelity Bond</b>                                                                                              |     |    |
| b. | <b>Insurance Policies for property</b><br>Liability<br>Vehicle                                                    |     |    |
| c. | <b>IRS Form 501C – Tax Exempt Status</b>                                                                          |     |    |
| d. | <b>IRS Form 4161 – Social Security Waiver</b>                                                                     |     |    |
| e. | <b>IRS Form 990 – Organization Exempt from Tax</b>                                                                |     |    |
| f. | <b>IRS Form 941 – Qtly. Rpt. of Federal Withholding</b>                                                           |     |    |
| g. | <b>Delaware Annual Franchise Tax Rpt</b>                                                                          |     |    |
| h. | <b>Delaware Unemployment Compensation &amp; Disability Insurance Report</b>                                       |     |    |
| i. | <b>Delaware Forms (VCE - UC8A) W1-W3 Report of State Withholding</b>                                              |     |    |
| j. | <b>Contracts for Purchased Services (i.e. Rent, etc.)</b>                                                         |     |    |
| k. | <b>Malpractice/Liability insurance to protect agency/staff against lawsuits brought by recipients of services</b> |     |    |
| l. | <b>Corporate Documentation (e.g.: Certificate(s) of Incorporation; By-laws; Policy &amp; Procedures; etc.)</b>    |     |    |
| m. | <b>Business license [State(s)]</b>                                                                                |     |    |

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 COMMISSION 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. Notwithstanding 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.

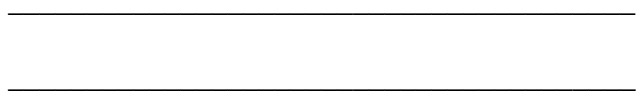
12. Any notice required or permitted under this Contract shall be effective upon receipt and may be hand delivered with receipt requested or by registered or certified mail with return receipt requested to the addresses listed below. Either Party may change its address for notices and official formal 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.
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- 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 placed 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 remainder 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 patients' 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 than 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.