

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

REGISTRATION NUMBER <i>211436367</i>	AGREEMENT NUMBER 15-10334
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- This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME	(Also referred to as CDPH or the State)
California Department of Public Health	
CONTRACTOR'S NAME	(Also referred to as Contractor)
California Association of Health Facilities (CAHF)	
- The term of this Agreement is: July 1, 2015 through June 30, 2018
or upon approval by DGS or CDPH, if required, whichever is later
- The maximum amount of this Agreement is: \$ 1,445,573
 One Million Four Hundred Forty Five Thousand Five Hundred Seventy Three Dollars
- The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this Agreement.

Exhibit A – Scope of Work	6 pages
Exhibit B – Budget Detail and Payment Provisions	3 pages
Exhibit B, Attachment I – Budget (Year 1,2,&3)	1 page
Exhibit B, Attachment II, Schedule 1 – Subcontractor Budget (Year 1,2,&3)	1 page
Exhibit C * – General Terms and Conditions	<u>GTC 610</u>
Exhibit D (C) – Special Terms and Conditions (Attached hereto as part of this agreement)	16 pages
Exhibit E – Additional Provisions	3 pages
Exhibit F – Travel Reimbursement Information	2 pages
Exhibit G – Contractor's Release	1 page

Items shown above with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <http://www.ols.dgs.ca.gov/Standard+Language>.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR	
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) California Association of Health Facilities (CAHF)	
BY (Authorized Signature) <i>Rita Chen Fujisawa</i>	DATE SIGNED (Do not type) 7/30/2015
PRINTED NAME AND TITLE OF PERSON SIGNING Rita Chen Fujisawa, COO & Vice President	
ADDRESS 2201 K Street Sacramento, CA 95816	
STATE OF CALIFORNIA	
AGENCY NAME California Department of Public Health	
BY (Authorized Signature) <i>Elizabeth Stone</i>	DATE SIGNED (Do not type) 8/6/15
PRINTED NAME AND TITLE OF PERSON SIGNING Elizabeth Stone, Chief, Contracts Management Unit	
ADDRESS 1616 Capitol Avenue, Suite 74.317, MS 1802, PO Box 997377 Sacramento, CA 95899-7377	

**California Department of
General Services Use Only**

GTC

APPROVED

AUG 13 2015

OFFICE OF LEGAL SERVICES
DEPT. OF GENERAL SERVICES

Exempt per:

[Signature]

Exhibit A
Scope of Work

1. Service Overview

Contractor agrees to provide to the California Department of Public Health (CDPH) the services described herein for the project entitled "Improving Dementia Care through Music & Memory (M2)", to improve dementia care by increasing the quality of resident life through meaningful personal connections and to reduce the use of antipsychotic medication. The project complements and builds on two important Centers for Medicare and Medicaid (CMS) quality initiatives; improving dementia care and the adoption of the Quality Assurance Performance Improvement (QAPI) practices in skilled nursing facilities (SNFs). With funding from the Civil Money Penalties Fund grant program (CMP), the California Association of Health Facilities (CAHF) in partnership with the University of California at Davis (UCD) and with the assistance of multiple stakeholders will accomplish the following goals related to improving dementia and quality in California nursing homes:

- A. To disseminate the M2 program to approximately 4,500 residents in 300 California SNFs over three years and develop a strategy for further spread and sustainment of the program through local community engagement.
- B. To study and document the effects of M2 on reducing the antipsychotic medication for people with dementia in the participating facilities.
- C. To develop 2-3 evidenced-based QAPI options to enhance the implementation and sustainability of M2 program.
- D. To study, document, and report on the organizational factors present in the success or failure of the adoption and sustainment of M2 in participating facilities.

2. Service Location

The services shall be performed at various nursing homes throughout the state.

3. Service Hours

The services shall be provided during working hours of 8:00 am to 5:00 pm, Monday through Friday, except official holidays.

4. Project Representatives

A. The project representatives during the term of this agreement will be:

California Department of Public Health Jean Iacino Deputy Director 1615 Capitol Avenue, Suite 73.481 PO Box 997377, MS 0512 Sacramento, CA 95899-7377 Telephone: (916) 324-6630 Fax: (916) 324-4820 Email: Jean.Iacino@cdph.ca.gov	California Association of Health Facilities Jocelyn Montgomery, RN Director Clinical Affairs 2201 K Street Sacramento, CA 95816 Telephone: (916) 432-5197 Fax: (916) 441-6441 Email: jmontgomery@cahf.org
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Exhibit A
Scope of Work

B. Direct all inquiries to:

California Department of Public Health Center for Health Care Quality Licensing & Certification Attention: Andrew Barbusca, HPM III 1615 Capitol Avenue, Suite 73.481 PO Box 997377, MS 0512 Sacramento, CA 95899-7377 Telephone: (916) 445-7366 Fax: (916) 324-4820 Email: Andrew.Barbusca@cdph.ca.gov	California Association of Health Facilities Improving Dementia Care / Music & Memory Attention: Jocelyn Montgomery, RN Director Clinical Affairs 2201 K Street Sacramento, CA 95816 Telephone: (916) 432-5197 Fax: (916) 441-6441 Email: jmontgomery@cahf.org
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C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this agreement.

5. Services to be Performed

I. **Goal 1:** Project start up, pilot test feasibility of the QAPI tool with 50 nursing homes, and establish project processes.

A. **Objective 1:** Design research component, establish participant recruitment and selection criteria, and develop tracking systems for project. Recruit 50 nursing homes, certify and equip with M2 program, collect and analyze data.

Activities:

1. Hire M2 Project Assistant.
2. Design study and data requirements.
3. Convene advisory group to include at least the following: UCD representative, nursing home administrator, director of nursing, activity director, and recreational therapist, and representatives from the Long Term Care Ombudsman, California Culture Change Coalition, Leading Age of California, and the Alzheimer's Association.
4. Develop recruitment strategies, application, and selection process.
5. Develop data tracking systems for research component including antipsychotic medication use, and survey tool to evaluate implementation using the Quality Assurance Performance Improvement tool.
6. Draft QAPI tool for M2 implementation.
7. Recruit 50 pilot facilities to participate in Goal1 study, through press releases, conference meetings, mailing and other methods to be identified.
8. Provide M2 Project orientation to the intervention group through webinars and onsite instruction as needed.
9. Assign nursing homes to control and intervention groups according to research study design and conduct an orientation webinar for the intervention participants.
10. Certify pilot facilities with M2 program and distribute M2 equipment.
11. Collect baseline data on selected performance measures including antipsychotic medication rates, readiness for quality improvement, and other measures to be determined in Objective 1, per research study plan.
12. Provide QAPI tool to the intervention group (25 facilities).

Exhibit A
Scope of Work

13. Collect process-level data and outcomes data per research study plan.
14. Establish mechanisms for effective data flow and transfer data to and from CAHF to UCD.
15. Use qualitative and quantitative methodologies to analyze baseline, process, and outcomes data, per research study plan.
16. Collect and analyze data from interviews, per research study plan.
17. Revise QAPI tool and other systems as needed based on pilot results.

Anticipated Travel:

I.A.7,8. Four to six onsite visits for two staff in Goal 1.

Person Responsible:

UCD will be performing services on the following activities:
I.A.2,3,4,5,6,7,9,12,14,15,16,17.

CAHF will be performing services on the following activities:
I.A.1,4,5,6,7,8,10,11,13,14,17.

Deliverables/Due Date:

Activities I.A.1-17 are due within 18 months of the contract execution date.

- II. Goal 2:** Pilot test the M2 program and the QAPI tool as an intervention to decrease the use of antipsychotics and challenging resident behaviors in 150 nursing homes in California, examine organizational factors associated with the use of M2 and QAPI tool.
- A. **Objective 1:** Recruit a sample of 150 nursing homes, certify and equip with M2 program, collect and analyze data.

Activities:

1. Recruit and select a convenience sample of 150 nursing homes for Phase 2 study.
2. Provide pilot facilities with orientation to the M2 Project through webinars and onsite instruction as needed.
3. Randomize and stratify the NHs into control and intervention groups according to research study design and conduct an orientation webinar for the intervention participants.
4. Certify 150 facilities with M2 program and distribute M2 equipment.
5. Collect baseline data on selected performance measures including antipsychotic medication rates, readiness for quality improvement, and other measures to be determined in Task 1, per research study plan.
6. Provide QAPI tool to the intervention group (75 facilities).
7. Collect process-level data and outcomes data per research study plan and transfer data from CAHF to UCD.
8. Use qualitative and quantitative methodologies to analyze baseline, process, and outcomes data, per research study plan.
9. Collect and analyze data from interviews, per research study plan.

Exhibit A
Scope of Work

10. Use findings from Phase 2 study group to refine M2 dissemination, process level data collection, QAPI tool, and recruitment and enrollment strategies.

Anticipated Travel:

I.A.8, Four to six onsite visits for two staff in Phase 2.

Person Responsible:

UCD will be performing services on the following activities:
II.A.1,3,6,8,9,10.

CAHF will be performing services on the following activities:
II.A.1,2,4,5,7,10.

Deliverables/Due Date:

Activities 2.A.1-10 are due within 24 months of the contract execution date. Quarter 6 through Quarter 9 (Month 16 through Month 27).

- III. **Goal 3:** Conclude the study of the effects of the M2 program and the QAPI tool as interventions to decrease the use of antipsychotics and challenging resident behaviors in nursing homes. Identify and report on the organization factors associated with successful implementation of the M2 program. Develop and conduct a campaign to spread the use of the M2 program in California.

- A. **Objective 1:** Recruit 100 nursing homes, certify and equip with the M2 program and the QAPI tools, collect and analyze data, report on results. Develop and launch a campaign to spread and sustain the use of M2 program in California.

Activities:

1. Recruit and select a convenience sample of 100 nursing homes for Phase 3.
2. Provide facilities with orientation to the M2 Project through webinars and onsite instruction as needed.
3. Certify 100 facilities with M2 program and distribute M2 equipment.
4. Provide QAPI tool to 100 facilities.
5. Collect baseline data on selected performance measures including antipsychotic medication rates, readiness for quality improvement, and other measures to be determined in Task 1, per research study plan.
6. Collect process-level data and outcome data as described in study design and transfer data from CAHF to UCD.
7. Use qualitative and quantitative methodologies to analyze baseline, process, and outcomes data, per research study plan.
8. Collect and analyze data from interviews, per research study plan.
9. Finalize study findings and report to stakeholders through an Executive Summary and final report.
10. Develop dissemination plan for the study findings and explore future funding mechanism.

Exhibit A
Scope of Work

11. Develop and execute a "spread and sustainment" plan for the M2 program to long term care facilities in six regions of the state.
12. This campaign will include hosted showings of the "Alive Inside" documentary to community groups in six regions in the state as part of this "spread and sustainment" plan.

Anticipated Travel:

III.A.8, Six to eight onsite visits for two staff in Phase 3.

Person Responsible:

UCD will be performing services on the following activities:
III.A.1,4,7,8,9,10.

CAHF will be performing services on the following activities:
III.A.1,2,3,5,6,9,11,12.

Deliverables/Due Date:

Activities III.A.1-12 are due within 36 months of the contract execution date. Quarter 9 through Quarter 12 (Month 25 through Month 36).

6. Reporting Requirements

- I. Provide a performance timeline and status points for all activities included in this contract. This timeline shall be submitted to CDPH Contract Representative within 30 days of the contract execution date.
- II. Provide status updates via teleconference or in person meeting on a quarterly basis starting with the execution date of the contract.
- III. Provide a report, summarizing the data and analysis for each goal. Each report shall be submitted to the CDPH Contract Representative 30 days after each goal is completed.
- IV. Contractor shall submit written quarterly reports to the CDPH/Licensing and Certification program regarding program operations and submit any and all requested data or information upon request. The format of the quarterly reports shall be 12 point Ariel font with one inch margins and a title reflecting the time period. The report shall include relevant data tables representing the status of homes enrolled and sustainment as well as pilot test results, program adjustments to maintain success and other implementation and timeframe activities.

7. Subcontractor Requirements

All subcontracting must comply with the requirements of the State Contracting Manual, Volume 1, Sections 3.03, 3.06, 3.18, and 4.04, as applicable.

Exhibit A
Scope of Work

8. CDPH Responsibilities

CDPH agrees to provide the following services:

- I. Review and provide feedback of the performance timeline within 10 business days of receipt.
- II. Schedule and attend in person or teleconference meetings and reserve the meeting space or provide the teleconference resources.
- III. Review reports submitted by CAHF and provide feedback within 10 business days of receipt.

Exhibit B
Budget Detail and Payment Provisions

1. Invoicing and Payment

- A. In no event shall the Contractor request reimbursement from the State for obligations entered into or for costs incurred prior to the commencement date or after the expiration of this Agreement.
- B. For services satisfactorily rendered, and upon receipt and approval of the invoices, CDPH agrees to compensate the Contractor for actual expenditures incurred in accordance with the Budget Line Item amounts specified in Attachment 1, of this Exhibit.
- C. Invoices shall include the Agreement Number and shall be submitted in triplicate not more frequently than monthly in arrears to:

Attention: Linda Farrell
California Department of Public Health
Licensing & Certification Program
1615 Capitol Ave., Ste. 73.481, MS 3202
Sacramento, CA 95814

- D. Invoices shall:
 - 1) Be prepared using the newly implemented and required electronic invoice process and template, which will be provided by CDPH Contract Manager.
 - 2) Invoices must be submitted to CDPH electronically only. Hard copies are not required.
 - 3) Identify the billing and/or performance period covered by the invoice.
 - 4) Itemize costs for the billing period in the same or greater level of detail as indicated in this agreement. Subject to the terms of this agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this agreement and approved by CDPH.

E. Amounts Payable

The amounts payable under this agreement shall not exceed:

- 1) \$377,649.00 for the budget period of 07/01/15 through 06/30/16.
- 2) \$573,992.00 for the budget period of 07/01/16 through 06/30/17.
- 3) \$493,932.00 for the budget period of 07/01/17 through 06/30/18.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

Exhibit B
Budget Detail and Payment Provisions

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

4. Timely Submission of Final Invoice

- A. Final undisputed invoice shall be submitted for payment no more than *thirty (30)* calendar days following the expiration or termination date of this agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said invoice should be clearly marked "Final Invoice", indicating that all payment obligations of the State under this agreement have ceased and that no further payments are due or outstanding. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline.
- B. The Contractor is hereby advised of its obligation to submit to the state, with the final invoice, a completed copy of the "**Contractor's Release (Exhibit G)**".

5. Expense Allowability / Fiscal Documentation

- A. Invoices, received from the Contractor and accepted for payment by the State, shall not be deemed evidence of allowable agreement costs.
- B. Contractor shall maintain for review and audit and supply to CDPH upon request, adequate documentation of all expenses claimed pursuant to this agreement to permit a determination of expense allowability.
- C. If the allowability of an expense cannot be determined by the State because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed and payment may be withheld by the State. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.

6. Recovery of Overpayments

- A. Contractor agrees that claims based upon the terms of this agreement or an audit finding and/or an audit finding that is appealed and upheld, will be recovered by the State by one of the following options:
 - 1) Contractor's remittance to the State of the full amount of the audit exception within 30 days following the State's request for repayment;
 - 2) A repayment schedule which is agreeable to both the State and the Contractor.
- B. The State reserves the right to select which option as indicated above in paragraph A will be employed and the Contractor will be notified by the State in writing of the claim procedure to be utilized.
- C. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average of the rate received on investments in the Pooled Money Investment Fund

Exhibit B
Budget Detail and Payment Provisions

commencing on the date that an audit or examination finding is mailed to the Contractor, beginning 30 days after Contractor's receipt of the State's demand for repayment.

- D. If the Contractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Contractor loses the final administrative appeal, Contractor shall repay, to the State, the over-claimed or disallowed expenses, plus accrued interest. Interest accrues from the Contractor's first receipt of State's notice requesting reimbursement of questioned audit costs or disallowed expenses.

Contract 15-10334, CAHF - Music & Memory

California Association of Health Facilities Exhibit B - Attachment I - 07/01/15 - 06/30/18

		FY 15/16			FY 16/17			FY 17/18				
		7/1/15 - 6/30/16			7/1/16 - 6/30/17			7/1/17 - 6/30/18				
		Year (1)			Year (2)			Year (3)			Totals	
Personnel	Position Title	Annual Salary	FTE	Salary	Budget	FTE	Salary	Budget	FTE	Avg. Salary	Budget	
	Project Director	\$ 133,560	0.25	\$33,390	\$33,390	0.25	\$33,390	\$33,390	0.25	\$33,390	\$33,390	\$100,170
	Project Assistant	\$ 50,000	1.00	\$50,000	\$50,000	1.00	\$50,000	\$50,000	1.00	\$50,000	\$50,000	\$150,000
Total Salaries and Wages					\$83,390			\$83,390			\$83,390	\$250,170
Fringe Benefits				Percentage	Budget		Percentage	Budget		Percentage	Budget	
				27.50%	\$22,932		27.50%	\$22,932		27.50%	\$22,932	\$68,796
Total Personnel					\$106,322			\$106,322			\$106,322	\$318,966
Operating Expenses					Budget			Budget			Budget	
	Postage and Printing				\$500			\$500			\$500	\$1,500
	Website Development				\$1,000			\$1,000			\$5,400	\$7,400
	Webinar Platform / Conference Calls				\$1,000			\$0			\$1,000	\$2,000
Total Operating Expenses					\$2,500			\$1,500			\$6,900	\$10,900
Minor Equipment					Budget			Budget			Budget	
	Music & Memory Certification, iPod Shuffles,				\$92,000			\$270,000			\$183,000	\$545,000
	Earphones, Wall Chargers, Portable Speakers (MP3)											\$0
	Splitters, and Laptops.											\$0
Total Equipment					\$92,000			\$270,000			\$183,000	\$545,000
Travel					Budget			Budget			Budget	
	Travel				\$4,000			\$4,000			\$10,000	\$18,000
Total Travel					\$4,000			\$4,000			\$10,000	\$18,000
Subcontracts					Budget			Budget			Budget	
	UCD				\$138,495			\$139,716			\$143,052	\$421,263
Total Subcontracts					\$138,495			\$139,716			\$143,052	\$421,263
Direct Costs					Budget			Budget			Budget	
Total Direct Costs					\$343,317			\$521,538			\$449,274	\$1,314,129
Indirect Costs					Budget			Budget			Budget	
				Percentage	Budget		Percentage	Budget		Percentage	Budget	
Total Indirect Costs*					\$34,331.68		13.737761%	\$52,453.79		14.583339%	\$44,657.39	\$131,442.86
Total Costs					\$377,649			\$573,992			\$493,932	\$1,445,572

*Total Direct Costs minus Total Subcontracts multiplied by fiscal year percentage equals Total Indirect Costs.

15-10334 CAHF - Music & Memory

California Association of Health Facilities Exhibit B - Attachment II - Subcontractor - 07/01/15 - 06/30/18

Subcontractor: Betty Irene Moore School of Nursing at UC Davis - UC Davis Health System

	FY 15/16			FY 16/17			FY 17/18			Totals
	7/1/15 - 6/30/16			7/1/16 - 6/30/17			7/1/17 - 6/30/18			
	Year (1)			Year (2)			Year (3)			
	FTE	Salary	Budget	FTE	Cost	Budget	FTE	Cost	Budget	
Personnel										
Position Title	FTE	Salary	Budget	FTE	Cost	Budget	FTE	Cost	Budget	
Bakerjian, PhD, RN, FNP, FAANP, FAAN	1.00	\$15,860	\$15,860	1.00	\$16,373	\$16,373	1.00	\$11,327	\$11,327	\$43,560
Siegel, PhD, MN, BS-Bus. Adm., RN	1.00	\$14,040	\$14,040	1.00	\$14,494	\$14,494	1.00	\$10,027	\$10,027	\$38,561
Project Manager	1.00	\$45,131	\$45,131	1.00	\$46,700	\$46,700	1.00	\$48,605	\$48,605	\$140,436
Research Assistant	1.00	\$5,398	\$5,398	1.00	\$5,564	\$5,564	1.00	\$5,781	\$5,781	\$16,743
Statistician	1.00	\$2,731	\$2,731	1.00	\$2,825	\$2,825	1.00	\$2,941	\$2,941	\$8,497
Total Personnel			\$83,160			\$85,956			\$78,681	\$247,797
General Expense			Budget			Budget			Budget	
Statistical analysis software (SPSS) licensing fee			\$95			\$95			\$95	\$285
4 Audio Recorders & Telephone Adaptors			\$800			\$0			\$0	\$800
2 Laptops (Project Manager & Research Assistant)			\$3,500			\$0			\$0	\$3,500
Software for qualitative data analysis (license & updates)			\$940			\$540			\$540	\$2,020
Interview Transcription Fees			\$0			\$2,400			\$6,000	\$8,400
Total General Expense			\$5,335			\$3,035			\$6,635	\$15,005
Travel Expense			Budget			Budget			Budget	
CAHF Conference, within California			\$0			\$0			\$2,050	\$2,050
National Conference - TBD			\$0			\$0			\$3,750	\$3,750
Total Travel Expense			\$0			\$0			\$5,800	\$5,800
Total Direct Costs			Budget			Budget			Budget	
Total Direct Costs			\$88,495			\$88,991			\$91,116	\$268,602
Total Indirect Costs		Percentage	Budget		Percentage	Budget		Percentage	Budget	
		56.50%	\$50,000		57.00%	\$50,725		57.00%	\$51,936	\$152,661
Subcontractor Costs			Budget			Budget			Budget	
			\$138,495			\$139,716			\$143,052	
Total Subcontractor Costs			\$138,495			\$139,716			\$143,052	\$421,263

Exhibit D
Special Terms and Conditions

(For Subvention/Local Assistance Agreements)

The provisions herein apply to this Agreement unless the provisions are removed by reference, the provisions are superseded by an alternate provision appearing elsewhere in this Agreement, or the applicable conditions do not exist.

Index of Special Terms and Conditions

1. Procurement Rules	11. Officials Not to Benefit
2. Equipment Ownership / Inventory / Disposition	12. Prohibited Use of State Funds for Software
3. Subcontract Requirements	13. Payment Withholds
4. Income Restrictions	14. Performance Evaluation
5. Site Inspection	15. Contract Uniformity (Fringe Benefit Allowability)
6. Intellectual Property Rights	16. Cancellation
7. Prior Approval of Training Seminars, Workshops or Conferences	
8. Confidentiality of Information	
9. Documents, Publications, and Written Reports	
10. Dispute Resolution Process	

Exhibit D
Special Terms and Conditions

1. Procurement Rules

(Applicable to all agreements in which equipment, property, commodities and/or supplies are furnished by CDPH or expenses for said items are reimbursed with state or federal funds.)

a. Equipment definitions

Wherever the term equipment /property is used, the following definitions shall apply:

- (1) **Major equipment/property:** A tangible or intangible item having a base unit cost of **\$5,000 or more** with a life expectancy of one (1) year or more and is either furnished by CDPH or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.
 - (2) **Minor equipment/property:** A tangible item having a base unit cost of **less than \$5,000** with a life expectancy of one (1) year or more and is either furnished by CDPH or the cost is reimbursed through this Agreement.
- b. **Government and public entities** (including state colleges/universities and auxiliary organizations), whether acting as a contractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through g of this provision. Paragraph c of this provision shall also apply, if equipment purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.
- c. **Nonprofit organizations and commercial businesses**, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment and services related to such purchases for performance under this Agreement.

- (1) Equipment purchases shall not exceed \$50,000 annually.

To secure equipment above the annual maximum limit of \$50,000, the Contractor shall make arrangements through the appropriate CDPH Program Contract Manager, to have all remaining equipment purchased through CDPH's Purchasing Unit. The cost of equipment purchased by or through CDPH shall be deducted from the funds available in this Agreement. Contractor shall submit to the CDPH Program Contract Manager a list of equipment specifications for those items that the State must procure. The State may pay the vendor directly for such arranged equipment purchases and title to the equipment will remain with CDPH. The equipment will be delivered to the Contractor's address, as stated on the face of the Agreement, unless the Contractor notifies the CDPH Program Contract Manager, in writing, of an alternate delivery address.

- (2) All equipment purchases are subject to paragraphs d through g of this provision. Paragraph b of this provision shall also apply, if equipment purchases are delegated to subcontractors that are either a government or public entity.
- (3) Nonprofit organizations and commercial businesses, shall use a procurement system that meets the following standards:
 - (a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee,

Exhibit D
Special Terms and Conditions

officer, or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.

(b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.

(c) Procurements shall be conducted in a manner that provides for all of the following:

[1] Avoid purchasing unnecessary or duplicate items.

[2] Equipment solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.

[3] Take positive steps to utilize small and veteran owned businesses.

d. Unless waived or otherwise stipulated in writing by CDPH, prior written authorization from the appropriate CDPH Program Contract Manager will be required before the Contractor will be reimbursed for any purchase **exceeding** \$2,500 or more for commodities, supplies, equipment, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by CDPH, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.

e. In special circumstances, determined by CDPH (e.g., when CDPH has a need to monitor certain purchases, etc.), CDPH may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. CDPH reserves the right to either deny claims for reimbursement or to request repayment for any Contractor purchase that CDPH determines to be unnecessary in carrying out performance under this Agreement.

f. The Contractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor at any time.

g. For all purchases, the Contractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor for inspection or audit.

2. Equipment Ownership / Inventory / Disposition

(Applicable to agreements in which equipment and/or property is furnished by CDPH and/or when said items are purchased or reimbursed with state)

a. Wherever the terms equipment and/or property are used in this provision, the definitions in provision 1, paragraph a., shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that are purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement shall be considered state equipment and the property of CDPH.

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- (1) CDPH requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by CDPH or purchased/reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Contractor shall report the receipt to the CDPH Program Contract Manager. To report the receipt of said items and to receive property tags, Contractor shall use a form or format designated by CDPH's Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with CDPH Funds) does not accompany this Agreement, Contractor shall request a copy from the CDPH Program Contract Manager.

- (2) If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or property to the CDPH Program Contract Manager using a form or format designated by CDPH's Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of CDPH-Funded Equipment) does not accompany this Agreement, Contractor shall request a copy from the CDPH Program Contract Manager. Contractor shall:

- (a) Include in the inventory report, equipment and/or property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).
- (b) Submit the inventory report to CDPH according to the instructions appearing on the inventory form or issued by the CDPH Program Contract Manager.
- (c) Contact the CDPH Program Contract Manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by CDPH's Asset Management Unit.

- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
- c. Unless otherwise stipulated, CDPH shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or property.
- d. The Contractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.
 - (1) In administering this provision, CDPH may require the Contractor to repair or replace, to CDPH's satisfaction, any damaged, lost or stolen state equipment and/or property. Contractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the CDPH Program Contract Manager.
- e. Unless otherwise stipulated by the program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, shall only be used for performance of this Agreement or another CDPH agreement.
- f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Contractor

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shall provide a final inventory report of equipment and/or property to the CDPH Program Contract Manager and shall, at that time, query CDPH as to the requirements, including the manner and method, of returning state equipment and/or property to CDPH. Final disposition of equipment and/or property shall be at CDPH expense and according to CDPH instructions. Equipment and/or property disposition instructions shall be issued by CDPH immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, CDPH may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different CDPH agreement.

g. Motor Vehicles

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by CDPH under this Agreement.)

- (1) If motor vehicles are purchased/reimbursed or furnished by CDPH under the terms of this Agreement, within thirty (30) calendar days prior to the termination or end of this Agreement, the Contractor shall return such vehicles to CDPH and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to CDPH.
- (2) If motor vehicles are purchased/reimbursed or furnished by CDPH under the terms of this Agreement, **the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner.** The Contractor shall only use said vehicles for the performance under the terms of this Agreement.
- (3) The Contractor agree that all operators of motor vehicles, purchased/reimbursed or furnished by CDPH under the terms of this Agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.
- (4) If any motor vehicle is purchased/reimbursed or furnished by CDPH under the terms of this Agreement, the Contractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this Agreement or any extension period during which any vehicle remains in the Contractor's possession:

Automobile Liability Insurance

- (a) The Contractor, by signing this Agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, to the Contractor.
- (b) The Contractor shall, as soon as practical, furnish a copy of the certificate of insurance to the CDPH Program Contract Manager. The certificate of insurance shall identify the CDPH contract or agreement number for which the insurance applies.
- (c) The Contractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this Agreement or until such time as the motor vehicle is returned to CDPH.

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- (d) The Contractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this Agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.
- (e) The Contractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:
 - [1] The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State.
 - [2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this Agreement and any extension or continuation of this Agreement.
 - [3] The insurance carrier shall notify CDPH, in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to each agreement number for which the insurance was obtained.
- (f) The Contractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS), Office of Risk and Insurance Management. The Contractor shall be notified by CDPH, in writing, if this provision is applicable to this Agreement. If DGS approval of the certificate of insurance is required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.
- (g) In the event the Contractor fails to keep insurance coverage, as required herein, in effect at all times during vehicle possession, CDPH may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

3. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

- a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services exceeding \$2,500 for any articles, supplies, equipment, or services. The Contractor shall obtain at least three competitive quotations which should be submitted or adequate justification provided for the absence of bidding.
- b. CDPH reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.
 - (1) Upon receipt of a written notice from CDPH requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by CDPH.

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all further acts reasonably necessary to acquire, transfer, maintain, and enforce CDPH's Intellectual Property rights and interests.

b. Retained Rights / License Rights

- (1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to CDPH, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.
- (2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of CDPH or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

c. Copyright

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Paragraph a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to CDPH to any work product made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement.
- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement, shall include CDPH's notice of copyright, which shall read in 3mm or larger typeface: "© [Enter Current Year e.g., 2014, etc.], Department of Public Health. This material may not be reproduced or disseminated without prior written permission from the Department of Public Health." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

d. Patent Rights

With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically included in the Agreement's scope of

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work, Contractor hereby grants to CDPH a license as described under Section b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to CDPH, without additional compensation, all its right, title and interest in and to such inventions and to assist CDPH in securing United States and foreign patents with respect thereto.

e. Third-Party Intellectual Property

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining CDPH's prior written approval; and (ii) granting to or obtaining for CDPH, without additional compensation, a license, as described in Section b of this provision, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon the these terms is unattainable, and CDPH determines that the Intellectual Property should be included in or is required for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to CDPH.

f. Warranties

(1) Contractor represents and warrants that:

- (a) It is free to enter into and fully perform this Agreement.
- (b) It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
- (c) Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
- (d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
- (e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
- (f) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to CDPH in this Agreement.

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(Applicable to agreements over \$5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contractual communications) prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts or agreements and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

10. Dispute Resolution Process

- a. A Contractor grievance exists whenever there is a dispute arising from CDPH's action in the administration of an agreement. If there is a dispute or grievance between the Contractor and CDPH, the Contractor must seek resolution using the procedure outlined below.
 - (1) The Contractor should first informally discuss the problem with the CDPH Program Contract Manager. If the problem cannot be resolved informally, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. If the Contractor disagrees with the Branch Chief's decision, the Contractor may appeal to the second level.
 - (2) When appealing to the second level, the Contractor must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal.
- b. If the Contractor wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, the Contractor shall follow the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the regulations adopted thereunder. (Title 1, Division 2, Chapter 2, Article 3 (commencing with Section 1140) of the California Code of Regulations).
- c. Disputes arising out of an audit, examination of an agreement or other action not covered by subdivision (a) of Section 20204, of Chapter 2.1, Title 22, of the California Code of Regulations, and for which no procedures for appeal are provided in statute, regulation or the Agreement, shall be handled in accordance with the procedures identified in Sections 51016 through 51047, Title 22, California Code of Regulations.
- d. Unless otherwise stipulated in writing by CDPH, all dispute, grievance and/or appeal correspondence shall be directed to the CDPH Contract Manager.

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- e. There are organizational differences within CDPH's funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the CDPH Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

11. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

12. Prohibited Use of State Funds for Software

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

13. Contract Uniformity (Fringe Benefit Allowability)

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, CDPH sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. As used herein, fringe benefits do not include:
 - (1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
 - (2) Director's and executive committee member's fees.
 - (3) Incentive awards and/or bonus incentive pay.
 - (4) Allowances for off-site pay.
 - (5) Location allowances.
 - (6) Hardship pay.
 - (7) Cost-of-living differentials
- c. Specific allowable fringe benefits include:
 - (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.

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- d. To be an allowable fringe benefit, the cost must meet the following criteria:
- (1) Be necessary and reasonable for the performance of the Agreement.
 - (2) Be determined in accordance with generally accepted accounting principles.
 - (3) Be consistent with policies that apply uniformly to all activities of the Contractor.
- e. Contractor agrees that all fringe benefits shall be at actual cost.
- f. Earned/Accrued Compensation
- (1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See section f (3)(a) below for an example.
 - (2) For multiple year agreements, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the Agreement. Holidays cannot be carried over from one agreement year to the next. See Provision f (3)(b) for an example.
 - (3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the Agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.

(a) **Example No. 1:**

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a one year agreement. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of an agreement, the Contractor during a one-year budget period may only claim up to three weeks of vacation and twelve days of sick leave as actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the Agreement are not an allowable cost.

(b) **Example No. 2:**

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

(c) **Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to CDPH, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

14. Cancellation

- A. This agreement may be cancelled by CDPH without cause upon 30 calendar days advance written notice to the Contractor.

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- B. CDPH reserves the right to cancel or terminate this agreement immediately for cause. The Contractor may submit a written request to terminate this agreement only if CDPH substantially fails to perform its responsibilities as provided herein.
- C. The term "for cause" shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of this agreement.
- D. Agreement termination or cancellation shall be effective as of the date indicated in CDPH's notification to the Contractor. The notice shall stipulate any final performance, invoicing or payment requirements.
- E. Upon receipt of a notice of termination or cancellation, the Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.
- F. In the event of early termination or cancellation, the Contractor shall be entitled to compensation for services performed satisfactorily under this agreement and expenses incurred up to the date of cancellation and any non-cancelable obligations incurred in support of this agreement.

Exhibit E
Additional Provisions

1. Publication

Prior to final publication, a draft of any proposed publication by the contractor or subcontractor or other entity resulting from the research or findings for this project, must be reviewed and approved for publication by the CDPH Licensing and Certification Division. All publications generated from the project shall be "works" and the intellectual property of the Department of Public Health.

2. Confidentiality and Breach of Security Responsibilities

The contractor must maintain the confidentiality of each resident and may not use or share resident information without written approval. If any confidential information is reasonably believed to have been acquired by an unauthorized person, the contractor shall notify CDPH and report on the breach details in writing and follow the breach protocol provide to the contract liaison.

3. Equipment

Equipment acquired shall be user friendly and have instructions provided to the extent possible so that both facility staff and the target audience shall be substantially able to use, hold, operate, wear and remove items easily.

A. Equipment Inventory Log

- 1) All equipment acquired shall be logged at each assigned facility and tracked by item, description, quantity, cost, and the individual to which an item is assigned.

B. Equipment Inventory Loss Prevention Procedures

- 1) An equipment loss prevention procedure shall be established. This process will be utilized by each facility to document assigned equipment and track any lost, stolen, and/or found items in a fast and efficient manner.

4. Emergency Situations or Incidents

If the contractor experiences an emergency situation or incident, the contractor shall notify the L&C program within twenty-four hours by communicating with the project representatives. For example, if a resident has an adverse reaction to headphones or listening to the music of their choice or if a staff member is unreasonably challenged and refuses to use the hardware or technology provided or there is theft of equipment from a facility. While these are not emergency situations as defined by a disaster scenario, they are significant from a program implementation standpoint and it would be helpful for CDPH to be aware of the situation and able to support all parties.

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Additional Provisions

5. Insurance Requirements

A. General Provisions Applying to All Policies

- 1) Coverage Term – Coverage needs to be in force for the complete term of the Agreement. If insurance expires during the term of the Agreement, a new certificate and required endorsements must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must comply with the original Agreement terms.
- 2) Policy Cancellation or Termination and Notice of Non-Renewal – Contractor shall provide to the CDPH within five (5) business days following receipt by Contractor a copy of any cancellation or non-renewal of insurance required by this Contract. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the CDPH may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.
- 3) Premiums, Assessments and Deductibles – Contractor is responsible for any premiums, policy assessments, deductibles or self-insured retentions contained within their insurance program.
- 4) Primary Clause – Any required insurance contained in this Agreement shall be primary and not excess or contributory to any other insurance carried by the CDPH.
- 5) Insurance Carrier Required Rating – All insurance companies must carry an AM Best rating of at least “A–” with a financial category rating of no lower than VI. If Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- 6) Endorsements – Any required endorsements requested by the CDPH must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- 7) Inadequate Insurance – Inadequate or lack of insurance does not negate Contractor’s obligations under the Agreement.
- 8) Use of Subcontractors - In the case of Contractor’s utilization of Subcontractors to complete the contracted scope of work, Contractor shall include all Subcontractors as insured under Contractor’s insurance or supply evidence of the Subcontractor’s insurance to the CDPH equal to policies, coverages, and limits required of Contractor.

B. Insurance Coverage Requirements

Contractor shall display evidence of certificate of insurance evidencing the following coverage:

- 1) Commercial General Liability – Contractor shall maintain general liability with limits not less than \$1,000,000 per occurrence for bodily injury and property

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Additional Provisions

damage combined with a \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent Contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured Agreement. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to Contractor's limit of liability. The policy shall be endorsed to include, "The State of California, its officers, agents, employees, and servants as additional insured, but only insofar as the operations under this Agreement are concerned." This endorsement must be supplied under form acceptable to the Office of Risk and Insurance Management.

- 2) Automobile Liability (when required) – Contractor shall maintain motor vehicle liability insurance with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles. Should the scope of the Agreement involve transportation of hazardous materials, evidence of an MCS-90 endorsement is required. The policy shall be endorsed to include, "The State of California, its officers, agents, employees, and servants as additional insured, but only insofar as the operations under this Agreement are concerned." This endorsement must be supplied under form acceptable to the Office of Risk and Insurance Management.
- 3) Worker's Compensation and Employer's Liability (when required) – Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Agreement. Employer's liability limits of \$1,000,000 are required. When work is performed on State owned or controlled property the policy shall contain a waiver of subrogation endorsement in favor of the State. This endorsement must be supplied under form acceptable to the Office of Risk and Insurance Management.
- 4) Professional Liability (when required) – Contractor shall maintain professional liability covering any damages caused by a negligent error; act or omission with limits not less than \$1,000,000 per occurrence and \$1,000,000 policy aggregate. The policy's retroactive date must be displayed on the certificate of insurance and must be before the date this Agreement was executed or before the beginning of Agreement work.

Travel Reimbursement Information
(Lodging and Per Diem Reimbursement Effective 01/01/15)

1. The following rate policy is to be applied for reimbursing the travel expenses of persons under contract. The terms "contract" and/or "subcontract" have the same meaning as "grantee" and/or "subgrantee" where applicable.
 - a. Reimbursement for travel and/or per diem shall be at the rates established for nonrepresented/excluded state employees. Exceptions to California Department of Human Resources (CalHR) lodging rates may be approved by *the California Department of Public Health (CDPH)* upon the receipt of a statement on/with an invoice indicating that such rates are not available.
 - b. Short Term Travel is defined as a 24-hour period, and less than 31 consecutive days, and is at least 50 miles from the main office, headquarters or primary residence. Starting time is whenever a contract *or* subcontract employee leaves his or her home or headquarters. "Headquarters" is defined as the place where the contracted personnel spends the largest portion of their working time and returns to upon the completion of assignments. Headquarters may be individually established for each traveler and approved verbally or in writing by the program funding the agreement. Verbal approval shall be followed up in writing or email.
 - c. Contractors on travel status for more than one 24-hour period and less than 31 consecutive days may claim a fractional part of a period of more than 24 hours. Consult the chart appearing on Page 2 of this exhibit to determine the reimbursement allowance. All lodging reimbursement claims must be supported by a receipt*. If a contractor does not or cannot present receipts, lodging expenses will not be reimbursed.

(1) Lodging (with receipts*):

Travel Location / Area	Reimbursement Rate
Statewide (excluding the counties identified below)	\$ 90.00 plus tax
Counties of Napa, Riverside and Sacramento	\$ 95.00 plus tax
Counties of Los Angeles, Orange and Ventura counties, and Edwards AFB, excluding the City of Santa Monica	\$120.00 plus tax
Counties of Alameda, Monterey, San Diego, San Mateo, and Santa Clara	\$125.00 plus tax
Counties of San Francisco and Santa Monica	\$150.00 plus tax

Reimbursement for actual lodging expenses that exceed the above amounts may be allowed with the advance approval of the Deputy Director of the California Department of *Public Health (CDPH)* or his or her designee. Receipts are required.

*Receipts from Internet lodging reservation services such as Priceline.com which require prepayment for that service, ARE NOT ACCEPTABLE LODGING RECEIPTS and are not reimbursable without a valid lodging receipt from a lodging establishment.

- (2) Meal/Supplemental Expenses (with or without receipts): With receipts, the contractor will be reimbursed actual amounts spent up to the maximum for each full 24-hour period of travel.

Meal / Expense	Reimbursement Rate
Breakfast	\$ 7.00
Lunch	\$ 11.00
Dinner	\$ 23.00
Incidental expenses	\$ 5.00

- d. Out-of-state travel may only be reimbursed if such travel is necessitated by the scope or statement of work and has been approved in advance by the program with which the contract is held. For out-of-state travel, contractors may be reimbursed actual lodging expenses, supported by a receipt, and may be reimbursed for meals and supplemental expenses for each 24-hour period computed at the rates listed in c. (2) above. For all out-of-state travel, contractors/subcontractors must have prior CDPH written or verbal approval. Verbal approval shall be confirmed in writing (email or memo).
- e. In computing allowances for continuous periods of travel of less than 24 hours, consult the chart appearing on Page 2 of this exhibit.

Travel Reimbursement Information (Continued) Exhibit

- f. No meal or lodging expenses will be reimbursed for any period of travel that occurs within normal working hours, unless expenses are incurred at least 50 miles from headquarters.
- 2. If any of the reimbursement rates stated herein is changed by CalHR, no formal contract amendment will be required to incorporate the new rates. However, CDPH shall inform the contractor, in writing, of the revised travel reimbursement rates and the applicable effective date of any rate change.

At CDPH's discretion, changes or revisions made by CDPH to this exhibit, excluding travel reimbursement policies established by CalHR may be applied retroactively to any agreement to which a Travel Reimbursement Information exhibit is attached, incorporated by reference, or applied by CDPH program policy. Changes to the travel reimbursement rates stated herein may not be applied earlier than the date a rate change is approved by CalHR.

- 3. For transportation expenses, the contractor must retain receipts for parking; taxi, airline, bus, or rail tickets; car rental; or any other travel receipts pertaining to each trip for attachment to an invoice as substantiation for reimbursement. Reimbursement may be requested for commercial carrier fares; private car mileage; parking fees; bridge tolls; taxi, bus, or streetcar fares; and auto rental fees when substantiated by a receipt.
- 4. **Note on use of autos:** If a contractor uses his/her or a company car for transportation, the rate of reimbursement will be **57.5 cents** maximum per mile. If a contractor uses his/her or a company car "in lieu of" airfare, the air coach fare will be the maximum paid by the State. The contractor must provide a cost comparison upon request by the State. Gasoline and routine automobile repair expenses are not reimbursable.
- 5. The contractor is required to furnish details surrounding each period of travel. Travel expense reimbursement detail may include, but not be limited to: purpose of travel, departure and return times, destination points, miles driven, mode of transportation, etc. Reimbursement for travel expenses may be withheld pending receipt of adequate travel documentation.
- 6. Contractors are to consult with the program with which the contract is held to obtain specific invoicing procedures.

Per Diem Reimbursement Guide

Length of travel period	This condition exists...	Allowable Meal(s)
Less than 24 hours	Trip begins at or before 6 a.m. and ends at or after 9 a.m.	Breakfast may be claimed.
Less than 24 hours	Trip begins at or before 4 p.m. and ends at or after 7 p.m.	Dinner may be claimed.
<i>Contractor may not claim lunch or incidentals on one-day trips. When trips are less than 24 hours and there's no overnight stay, meals claimed are taxable.</i>		
24 hours	Trip begins at or before 6 a.m.	Breakfast may be claimed.
24 hours	Trip begins at or before 11 a.m.	Lunch may be claimed.
24 hours	Trip begins at or before 5 p.m.	Dinner may be claimed.
More than 24 hours	Trip ends at or after 8 a.m.	Breakfast may be claimed.
More than 24 hours	Trip ends at or after 2 p.m.	Lunch may be claimed.
More than 24 hours	Trip ends at or after 7 p.m.	Dinner may be claimed.
<i>Contractor may not claim meals provided by the State, meals included in hotel expenses or conference fees, meals included in transportation costs such as airline tickets, or meals that are otherwise provided. Snacks and continental breakfasts such as rolls, juice, and coffee are not considered to be meals.</i>		

Contractor's Release

Instructions to Contractor:

With final invoice(s) submit one (1) original and one (1) copy. The original must bear the original signature of a person authorized to bind the Contractor. The additional copy may bear photocopied signatures.

Submission of Final Invoice

Pursuant to contract number 15-10334 entered into between the State of California Department of Public Health (CDPH) and the Contractor (identified below), the Contractor does acknowledge that final payment has been requested via invoice number(s) _____, in the amount(s) of \$ _____ and dated _____.
If necessary, enter "See Attached" in the appropriate blocks and attach a list of invoice numbers, dollar amounts and invoice dates.

Release of all Obligations

By signing this form, and upon receipt of the amount specified in the invoice number(s) referenced above, the Contractor does hereby release and discharge the State, its officers, agents and employees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from the above referenced contract.

Repayments Due to Audit Exceptions / Record Retention

By signing this form, Contractor acknowledges that expenses authorized for reimbursement does not guarantee final allowability of said expenses. Contractor agrees that the amount of any sustained audit exceptions resulting from any subsequent audit made after final payment will be refunded to the State.

All expense and accounting records related to the above referenced contract must be maintained for audit purposes for no less than three years beyond the date of final payment, unless a longer term is stated in said contract.

Recycled Product Use Certification

By signing this form, Contractor certifies under penalty of perjury that a minimum of 0% unless otherwise specified in writing of post consumer material, as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether it meets the requirements of Public Contract Code Section 12209. Contractor specifies that printer or duplication cartridges offered or sold to the State comply with the requirements of Section 12156(e).

Reminder to Return State Equipment/Property (If Applicable)

(Applies only if equipment was provided by CDPH or purchased with or reimbursed by contract funds)

Unless CDPH has approved the continued use and possession of State equipment (as defined in the above referenced contract) for use in connection with another CDPH agreement, Contractor agrees to promptly initiate arrangements to account for and return said equipment to CDPH, at CDPH's expense, if said equipment has not passed its useful life expectancy as defined in the above referenced contract.

Patents / Other Issues

By signing this form, Contractor further agrees, in connection with patent matters and with any claims that are not specifically released as set forth above, that it will comply with all of the provisions contained in the above referenced contract, including, but not limited to, those provisions relating to notification to the State and related to the defense or prosecution of litigation.

ONLY SIGN AND DATE THIS DOCUMENT WHEN ATTACHING TO THE FINAL INVOICE

Contractor's Legal Name (as on contract): _____

Signature of Contractor or Official Designee: _____ Date: _____

Printed Name/Title of Person Signing: _____

CDPH Distribution: Accounting (Original) Program

