MM.4.2.2. When the Department determines that the Contractor has engaged in a pattern of non-compliance that warrant Class B Sanctions, the Department shall notify the Contractor, in writing and, may assess an additional performance sanction of $10,000.00.

MM.4.2.3. The Contractor will be notified, in writing, when the Department determines that a performance standard has not been met and a performance sanction will be imposed. The Department shall identify the performance standard that has not been met and the corresponding penalty. The Contractor shall have five business days from the date of the letter to document to the Department, in writing, why the performance sanction should not be imposed. The Department, through its Contract Administrator, shall render a decision on the imposition of the performance sanction within five business days of the date of the Contractor's letter. The decision of the Contract Administrator shall be final.

MM.4.2.4. Issues subject to Class B Sanctions:

MM.4.2.4.1. Failure to transport clients in vehicles with applicable DMV licensure and DOT or DPH certification including sufficient liability insurance. (Per incident)

MM.4.2.4.2. Failure to transport clients utilizing appropriately certified and licensed drivers. (Per incident)

MM.4.2.4.3. Failure to issue a notice of action within time standards. (Per incident)

MM.4.2.4.4. Over writing valid client eligibility data which causes an unwarranted denial of NEMT for otherwise eligible clients requesting NEMT. (Per incident)

MM.4.2.4.5. Refusing to transport otherwise eligible clients or engaging in discriminatory practices. (Per Incident)

MM.4.2.4.6. Causing harm to a client or engaging in such behavior that a prudent person could reasonably expect would cause harm or injury to a client. (Per Incident)

MM.4.2.4.7. Failure to prevent confidentiality and data security breaches including, but not limited to, employee compliance with confidentiality requirements. (Per Incident)

MM.4.2.4.8. Failure to prevent a significant incident or accident in which the police and/or an ambulance are called to assist a transportation provider. Such incidents may include but are not limited to the failure to secure a wheelchair and/or a wheelchair client using an appropriate fastening

device, which results in an injury or the need for medical intervention (ambulance, emergency department or follow-up medical care). (Per incident).

MM.4.3. Pattern of Noncompliance

MM.4.3.1. In the event that the Department identifies a pattern of non-compliance and has imposed more than one sanction for non-compliance in accordance with this section, the Department may, with notice to the Contractor, invoke the provisions of Section PP of this Contract, Termination Provisions and categorize future occurrences of non-compliance as events of default.

MM.5. Alternative Effort

MM.5.1. The Department may search for cover for the services reasonably necessary to cure a default by the Contractor if, in the reasonable judgment of the Department:

MM.5.1.1. A default by the Contractor is not so substantial as to require termination;

MM.5.1.2. Reasonable efforts to induce the Contractor to cure the default are unavailing; and

MM.5.1.3. The default is capable of being cured by the Department or by another resource without unduly interfering with continued performance by the Contractor.

MM.5.2. If the Department exercises its right to search for cover to cure the default, the Contractor's next administrative payment will be adjusted to recover the reasonable cost of the procured services, excluding cost of transportation services, and the costs associated with the procurement of the services. If the Department exercises this right, the Contractor shall:

MM.5.2.1. Cooperate with such entities the Department may obtain to cure the default and shall allow those entities access to the facility, documentation, software, utilities and equipment; and

MM.5.2.2. Remain liable for all system support and administration performance criteria, maintenance of, and further enhancements to, any applications developed by these resources.

MM.6. Performance Bond or Statutory Deposit

MM.6.1. The Department requires a fully operational NEMT administrative system as of 12:01 AM on February 1, 2013and for each day of the contract period thereafter. The failure of the Contractor to pass the "Readiness Review" or the failure of the Contractor to provide an operational system as of 12:01 AM on

February 1, 2013, as approved by the Department, in accordance with the Contractor's Implementation Plan, or the failure of the Contractor to maintain a fully operational system thereafter will cause considerable harm to the Department and its eligible clients.

MM.6.2. The Contractor shall be liable to the Department for resultant damages if the Contractor is not operational by 12:01 AM on February 1, 2013. To mitigate such harm the Department requires the Contractor to obtain either a Performance Bond or a Statutory Deposit as further described below:

MM.6.2.1. The Performance Bond or Statutory Deposit is intended to guarantee a fully operational system for the term of the contract and cover the Department's costs in the event of a performance or financial failure by the Contractor. (Separately the Department requires audited financial statements annually). The Proposer agrees that:

MM.6.2.1.1. It will be able to secure a Performance Bond or Statutory Deposit according to the terms of this section.

MM.6.2.1.2. It will engage in good faith negotiations to execute a contract before November 9, 2012.

MM.6.2.1.3. It will provide a fully operational system on February 1, 2013and will maintain a fully operational system thereafter.

MM.6.2.1.4. It will participate in transitional activities with the present Contractors, if necessary.

MM.6.2.1.5. It will participate in a bifurcated review process to be conducted by the Department according to the terms of Section OO of this Contract. The Contractor will be required to pass the Readiness Review as determined before the Department will allow the Contractor to provide services. In the event the Department determines that the Contractor is not "ready" to provide services by February 1, 2013, the Department will take such action that may be required to ensure the seamless delivery of non-emergency medical transportation services including calling the Contractor's performance bond. Additionally, the Department will engage in a post implementation review to ensure that the services being provided are consistent with the requirements contained herein.

MM.6.2.2. The Contractor shall obtain a Performance Bond or Statutory Deposit Account in the amount of $2,000,000 on or before the execution of the Contract in accordance with the following:

MM.6.2.2.1. The purpose of the bond or Statutory Deposit amount is to mitigate harm caused by any failure of the Contractor to perform services required in the contract;

MM.6.2.2.2. The bond shall be provided by an insurer, which has been previously approved by the Department;

MM.6.2.2.3. The bond shall name the State of Connecticut as the Obligee;

MM.6.2.2.4. The bond or Statutory Deposit amount shall remain in effect until the latter of:

MM.6.2.2.4.1. The duration of the contract and any extensions to the contract; or

MM.6.2.2.4.2. The work to be performed under the contract has been fully completed to the satisfaction of the Department and the Department has released the Contractor from carrying the bond by written consent.

MM.6.2.3. The Contractor shall not be liable for such damages if the Department has failed to meet its obligations under the contract, and that failure of the Department was a direct cause of the Contractor's ability to perform its administrative services by the date specified in the Contractor's approved Implementation Plan.

MM.6.2.3.1. The Contractor agrees to pass a "Readiness Review" conducted by the Department and concluded no later than January 1, 2013, or on such other date as the Contractor and the Department may agree in writing. The Department shall conduct a formal review of the Contractor's operational status to determine whether the Contractor is sufficiently prepared to undertake the service as described in this Contract to be "Fully Operational" by February 1, 2013. "Fully Operational" means that the Contractor has the capacity to correctly perform the functions described in this Contract as determined by the Department.

NN. Transition and Implementation Requirements- General Provisions

NN.1. The Department is committed to a smooth transition from multiple Contractors to a single Contractor. The start-up phase begins at contract execution and ends on at 12:01 am February 1, 2013, Contractor.

NN.1.1. Department Responsibilities

NN.1.1.1. The Department shall engage in good faith negotiations to execute a contract by November 9, 2012.

NN.1.1.2. The Department shall review the Contractor's Implementation Plan and periodic updates and not unreasonably withhold approval of the Plan and subsequent updates.

NN.1.1.3. The Department shall require that its current NEMT Contractors and its MCOs, , submit to the Department or the successful Proposer, thirty days prior to implementation, a list of clients who have used NEMT services sufficient information to support continuity and coordination of NEMT services for those individuals who have pre-scheduled transportation arrangements.

NN.1.1.4. The Department shall require contracted FFS NEMT Contractors to pay for all NEMT services authorized and scheduled and provided prior to February 1, 2013.

NN.1.2. Contractor Responsibilities

NN.1.2.1. The Contractor shall develop and provide to the Department for review and approval an Implementation Plan prior to the execution of the contract, which shall include the designated individuals responsible for the execution of the Implementation Plan and the dates by which the Contractor will begin implementation of each of its administrative services.

OO. Readiness Review

OO.1. The Department shall conduct a Readiness Review of specific requirements beginning no later than sixty (60) days prior to the implementation date of February 1, 2013. The purpose of the Readiness Review will be to determine whether the Contractor has achieved sufficient progress to operate its administrative services timely, as indicated in the Contractor's approved Implementation Plan.

OO.2. The Department shall notify the Contractor in writing of the results of its readiness review within seven business days from the review. The Department may approve the Contractor's progress with or without comment, conditionally with additional requirements, or may determine that the Contractor has not made sufficient progress to operate its administrative services by the date indicated in the Contractor's approved Implementation Plan.

OO.3. If the Department determines that the Contractor has failed to make sufficient progress to become operational and to perform administrative services by the date indicated in the Contractor's approved Implementation Plan, the Contractor shall have five business days from the date of such notice to propose a corrective action plan to the Department's satisfaction.

OO.4. Irrespective of the Contractor's corrective action, the Department, at its option, may take such additional steps as it deems necessary to provide seamless NEMT administrative services for its clients including, but not limited to, calling for execution of the Performance Bond and terminating the Contract for the Contractor's failure to pass the Readiness Review.

OO.5. Exhibit C: Readiness Review lists the potential Readiness Review Topics.

PP. Termination Provisions

PP.1. The Department may exercise its right to invoke the provisions of this section when it determines the Contractor has failed to perform. All terminations shall be effective at the end of a month, unless otherwise specified in this section. The Contractor may be terminated under the following circumstances:

PP.1.1. By mutual written agreement of the Department and the Contractor upon such terms and conditions as they may agree;

PP.1.2. By the Department for convenience, upon not less than one hundred-eighty (180) days written notice to the Contractor;

PP.1.3. By the Department, for cause, upon failure of the Contractor to materially comply with the terms and conditions of this Contract.

PP.1.4. The Department shall give the Contractor written notice specifying the Contractor's failure to comply and shall provide Contractor a period of fourteen (14) days to cure such breach. If the Contractor is working in good faith towards a resolution, the Department may offer up to an additional sixteen (16) days to cure. If the Contractor fails to comply, the Departments may serve written notice stating the date of termination and work stoppage arrangements, not otherwise specified in this Contract. Such date of termination shall be no less than fifteen (15) days following the date on which notice of the breach was provided to the Contractor.

PP.1.5. By the Department, in the event of default by the Contractor, which is defined as the inability of the Contractor to provide services, where such inability is not otherwise excused pursuant to this Contract, as described in this Contract or the Contractor's insolvency.

PP.1.6. With the exception of termination due to insolvency, the Department shall require the Contractor to cure the default within thirty (30) days or to submit a plan of correction acceptable to the Department unless such opportunity would result in immediate harm to members, or the improper diversion of Medicaid program funds;

PP.1.7. By the Department, in the event of notification that the owners or managers of the Contractor, or other entities with substantial contractual relationship with the Contractor, have been convicted of Medicare or Medicaid fraud or abuse or received certain sanctions as specified in Section 1128 of the Social Security Act;

PP.1.8. By the Department, in the event it determines that the health or welfare of members is in jeopardy should the contract continue;

PP.1.9. By the Department, in the event a petition for bankruptcy is filed by or against the Contractor;

PP.1.10. By the Department, if the Contractor fails substantially to authorize medically necessary transportation services that are required under this Contract;

PP.1.11. By the Department, if the Contractor intentionally misrepresents or falsifies information that is furnished to the Secretary of Health and Human Services, the Department or Medicaid recipients, potential recipients or health care providers under the Social Security Act or pursuant to this Contract; and

PP.1.12. By the Contractor, on one hundred eighty (180) days written notice.

PP.2. Unless termination occurs pursuant to any of the above conditions, this Contract shall terminate on the Expiration date of the original contract or subsequent amendments. The Contractor shall be paid solely for covered services provided prior to the Expiration or Termination date. The Contractor is obligated to cooperate fully with the closeout or transition of any activities so as to permit continuity in the administration of the Department's programs. This includes, but is not limited to, allowing the Department's full access to the Contractor's facilities and records to the extent necessary to arrange for the orderly transfer of contracted activities (including information for the reimbursement of any outstanding Medicaid claims) and any other provisions specifically defined in the termination agreement.

PP.3. If the Department terminates this Contract pursuant to this section and unless otherwise specified in this section, the Department shall provide the Contractor written notice of such termination at least sixty (60) days prior to the effective date of the termination, unless the Department itself receives less than sixty (60) days notice, in which case the Department shall provide the Contractor with as much notice as possible. If the Department determines a reduction in the scope of work is necessary, it shall notify the Contractor and the parties shall proceed to amend the contract pursuant to its provisions. By termination pursuant to this Article, neither party may nullify obligations already incurred for performance of services prior to the date of notice or, unless specifically stated in the notice, required to be performed through the effective date of termination. Any agreement or notice of termination shall incorporate necessary transition arrangements if such arrangements are not otherwise specified in this Contract.

PP.4. In the event that either party seeks early termination of this agreement, the Contractor and the Department shall negotiate an early termination agreement that may include transition activities, the status of the Contractor during the termination/transition period, cost recovery, payment terms, and any other matter that is necessary for the orderly termination and transfer of activities to a new Contractor or the Departments. Such agreement shall be concluded within thirty (30) days of the notice of termination. If agreement is not reached regarding the termination agreement within the specified thirty (30)-day period, the contract shall terminate sixty (60) days thereafter.

QQ. Staff and Transportation Provider Training and Procedures- The Contractor shall:

QQ.1. Develop and implement an in-service training program and operational procedures, provide manuals, forms and reports, necessary for smooth operation of the NEMT responsibilities;

QQ.2. Propose and, subject to the Department's approval, implement a formal training program that orients staff to standard procedures and practices including service quality so that clients receive excellent customer service and are treated with respect, dignity and cultural sensitivity. Such training must include an orientation to Connecticut Medicaid services, client status, NEMT eligibility, prior authorization and verification procedures, significant incident management, complaint management, crisis call management, medical necessity, entitlement and client rights, data uses and application and importance for the program; and other training modules that relate to on-going quality improvement. The Contractor shall provide sufficient "interviewing technique training" for all staff who perform Call Center communication with clients. All communication with clients and service authorizations must be performed by trained employees. The Contractor will maintain documentation of all training and re-training for each employee; and

QQ.3. Implement training for Transportation Providers and their drivers to ensure their compliance with Medicaid requirements including but not limited to the requirement for educating all employees and officers on how to detect fraud, waste and abuse.

RR. NEMT Web Site and Communication

RR.1. The Contractor shall create and implement HIPAA compliant communication systems including a Department approved website specifically used to serve NEMT providers and clients and to facilitate communication and issue resolution between the Department and the Contractor. The website(s) shall be structured for easy navigation and user-friendliness. If the Contractor embeds the website(s) within a more complex corporate website, the Contractor shall ensure that the Connecticut NEMT Services link is clearly accessible from the corporate main site. The Contractor shall ensure that the website provides, in a prominent place, an option for Spanish selection.

RR.2. The website shall provide information concerning the NEMT program including, but not limited to:

RR.2.1. Policies and procedures applicable to the efficient functioning of the NEMT service. The website and written materials for clients shall be in an easily understood format. All written materials and correspondence with clients shall be culturally sensitive and written at no higher than a seventh grade reading level in both English and Spanish. The client information shall contain at a minimum: description of transportation options and the conditions for their use, requesting and scheduling transportation, rights and responsibilities answers to frequently asked questions

RR.2.2. Broker contact information;

RR.2.3. Bus routes, schedules, and a distance calculator (or a link to a distance calculator) to determine the distance between a client's residence and a bus stop;

RR.2.4. Medical certification forms and appointment scheduling;

RR.2.5. A link to the Department's primary websites and related websites and a link to the Contractor's corporate website;

RR.2.6. The Contractor shall ensure that the website is compliant with § 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794d) so that persons with visual impairments and other disabilities can access the content on the website. Note: the federal government has provided compliance information online at http://www.section508.gov/

RR.3. The Contractor shall provide Web-enabled transactional capabilities. Such capabilities shall include but may not be limited to:

RR.3.1. A portal for provider or client inquiries and complaints;

RR.3.2. A portal for issue forums, where stakeholders will be able to comment on issues involving NEMT;

RR.3.3. A secure portal for the Department to access reports and other data;

RR.3.4. A secure portal for transportation providers to access trip data and to manage trips, build daily routes, automate routing, develop driver manifests, trip logs, revenue per vehicle, contract and enrollment and credentialing information, on-line driver education; policies, dash-board performance reports, and other benefit information available through the Contractor

RR.3.5. Secure access for healthcare providers to request transportation on behalf of their clients, to provide comments, suggestions and complaints and

RR.3.6. Interactive Issues Log for use by the Contractor and the Department only. The secure issues log shall provide the mechanism to list and track issues for resolution in the day-to-day management of the program.

RR.4. The Contractor shall, in consultation with the Department, determine what program content is to be published on the website;

RR.5. The Contractor shall submit and propose to the Department, for its review and approval prior to distribution, all informational and educational materials directed at clients;

RR.6. All electronic communication involving protected client information must conform to HIPAA privacy standards and must be transmitted and stored in a HIPAA compliant fashion; and

RR.7. The Contractor shall abide by Guidelines Web Based Application, EWTA DoIT Technology Standards.

SS. Systems Design and Architecture – The Contractor Shall:

SS.1. Establish and maintain a HIPAA compliant computer system to accommodate all operational, reporting, and storage functions required in the contract;

SS.2. Maintain and store all operational data in an information system that is compliant with Open Database Connectivity Standards (ODBC) and that will allow for easy data retrieval to meet the program reporting specifications described in this contract and can execute ANSI SQL;

SS.3. Provide the Department with a mutually agreeable electronic or WEB-based file format of the MIS data dictionary of all data elements in all databases maintained in association with the contract;

SS.4. Maintain eligibility data to account for historical eligibility data for one year;

SS.5. Maintain information integrity through controls at appropriate locations within the Contractor's system, process flow and ensure quality control of all electronic transmissions;

SS.6. Supply all computer hardware (and software as appropriate) necessary to provide eligibility access to Contractor staff. Contractor purchased computer hardware and software must meet Department approval as the Department will own the hardware and software;

SS.7. Perform all file and system maintenance functions to the Contractor's proprietary system; and

SS.8. Maintain data processing expertise, data processing equipment, programmers and operators as needed and other related technical support to ensure the continued operation of the Contractor functions.

SS.9. Maintain and store all data related to the authorization and provision of NEMT services for a period and in a format that meets federal and state requirements (currently ten years). Such information shall be in a retrievable format. Such data shall not include "eligibility" data that the Department provides to the Contractor.

SS.10. Implement an approved Disaster Recovery and Business Continuity plan that will, at a minimum, prevent the loss of historical data and ensure continuous operations, meaning no break in client and provider telecommunications and authorization services of more than thirty (30) minutes in the event of a system failure and no more than five (5) business days for all other administrative functions. The plan shall include a backup schedule and the Contractor's plan for responding to phone calls seamlessly in the event of local power failures, phone system failures or other

emergencies. During the period that the disaster recovery plan is in effect, the Contractor shall be responsible for all costs and expenses related to provision of the alternate services under its normal Administration fee. The Contractor shall notify the Contract Manager and Administrator prior to the initiation of alternate services as to the extent of the disaster and/or emergency and the expected duration of the alternate services within twenty-four (24) hours of onset of the problem. The Department shall review and approve the Disaster Recovery Plan or provide the Contractor with comments and changes. Throughout the term of the contract the Contractor is required to advise the Department, in writing of any anticipated changes to those sections of the Contractor's Disaster Recovery Plan that have been approved by the Department. The Contractor shall maintain and execute the Disaster Recovery and Business Continuity plan to ensure compliance with the Department's IT requirements even if a disaster interrupts normal business and IT operations. The Disaster Recovery or IT Business Continuity plan shall include:

SS.10.1. Daily Backups. Traditional daily system backups shall be done on all servers to ensure that the content of all host and local area network systems can be recovered in the event of a disaster. Software and production data files are copied to digital tape or other suitable media. A verification and audit program shall be used to confirm that the system backup tapes are complete and accurate and can be properly restored. Copies of the tapes shall be created and stored in a secure off-site location to be used to reload the production systems. System backup tapes shall be rotated regularly to ensure physical integrity of the tapes and to minimize tape parity error problems.

SS.10.2. Backup Power

SS.10.3. Recovery. The Contractor shall be able to have the Contractor's IT system back online within 15 to 30 minutes and operating in a secure environment.

SS.10.4. Testing. Testing of the disaster recovery process, at a minimum, shall be provided for annually with preparation and delivery of a report to the Department within one month of the test.

TT.Information System Functionality

TT.1. The success of the Department's health service system for Medicaid clients depends on a responsive NEMT service system, which in turn depends on an integrated data system. The Contractor will perform a pivotal role by scheduling transportation services with Transportation Providers based on appropriate confirmation of eligibility and other factors. The Contractor may be required to produce data extracts and reports of its activity for the Department.

TT.2. The Contractor shall:

TT.2.1. Maintain a Medicaid Eligibility platform capable of receiving eligibility files from the Department;

TT.2.2. Maintain an NEMT reservation platform capable of conducting NEMT reservation/confirmation, prior authorization and verification transactions for all clients and modes of transportation;

TT.2.3. Maintain a system capable of submitting ambulance authorization data to HP in a format specified by the Department;

TT.2.4. Maintain a "Claims Management" platform capable of submitting livery claims on behalf of the Transportation Provider to the Department's Fiscal Intermediary;

TT.2.5. Maintain a Complaint Management platform capable of receiving and tracking complaints;

TT.2.6. Maintain an Incident Management Platform capable of receiving and managing incidents;

TT.2.7. Maintain a Vehicle Management platform capable of monitoring Transportation Providers' vehicle status including mileage, condition and inspections on a routine basis (including identification data for the vehicles detailing owner, plate number, and Vehicle Identification Number; and

TT.2.8. Archive client data for a minimum of ten years from the date of its creation or for the duration of any audit requiring the preservation of such data or as otherwise required by federal or state regulations.

UU. Security and Confidentiality

UU.1. The Department is required by state and federal law to protect the privacy of applicant and client information. The Department is a "covered entity," as defined in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and subsequent addenda, and more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, E and D. Accordingly, the Contractor is considered a business associate as defined in HIPAA and shall be required to comply with these and all other state and federal laws concerning privacy and security of all client information provided to the Contractor by the Department or acquired by the Contractor in performance of the contract. This includes all client information whether maintained or transmitted orally, in writing, by recording, by magnetic tape, or electronically. Compliance with privacy laws includes compliance with the HIPAA Privacy Rule and also compliance with other federal and state confidentiality statutes and regulations that apply to the Department. The Department also requires the Contractor to continually update and improve its privacy and security measures as client data becomes more vulnerable to external technological developments.

UU.2. The Department requires the Contractor to comply with HIPAA requirements when it requires the Contractor to share certain information with the Department's contracted Non-risk Broker or other agent of the Department.

UU.3. The Department shall:

UU.3.1. Designate specific staff to access and request client information from the Contractor;

UU.3.2. Review and approve privacy and security policies and procedures developed by the Contractor; and

UU.3.3. Review breaches in privacy and security that have been reported to them by the Contractor.

UU.4. The Contractor shall:

UU.4.1. Comply with Connecticut General Statutes §53a-250 through 53a-261 regarding computer-related offenses;

UU.4.2. Comply with all applicable federal and State of Connecticut laws and regulations, as both an agent and a business associate of the Department, regarding confidentiality and safeguarding information including HIPAA privacy and security regulations that apply to business associates of the Department, including, but not limited to, returning or destroying all client information created or received by the Contractor on behalf of the Department, as directed by the Department;

UU.4.3. Comply with all security and use requirements established by the Department for parties using EMS, AEVS, and any other Department data system (Connecticut General Statutes §53a-250 through §53a-261 "Computer Related Offenses;" §§31-254 "Unemployment Compensation;" and §1015.20 and §1020.10 of the Connecticut DSS Uniform Policy Manual);

UU.4.4. Propose for review and approval by the Department within 90 days from the execution of a contract, security policies and procedures that comply with state and federal law concerning the use, disclosure, and security of client data, including procedures to:

UU.4.4.1. Prevent the improper use or disclosure of any information about a client that is obtained from any source or in any manner except in connection with the legitimate performance of tasks within this contract;

UU.4.4.2. Limit access to client information held in its possession to those individuals who need client information for the performance of their job functions and ensure that those individuals have access to only that information that is the minimum necessary for performance of their job functions;

UU.4.4.3. Ensure the physical safety of data under its control by using devices and methods including, but not limited to: alarm systems, locked files, guards or

other devices reasonably expected to prevent loss or unauthorized removal of data;

UU.4.4.4. Prevent unauthorized use of passwords, access logs, badges or other methods designed to prevent loss of or unauthorized access to electronically or mechanically held data. Methods used shall include, but not be limited to, restricting system and/or terminal access at various levels; assigning personal IDs and passwords that are tied to pre-assigned access rights to enter the system; restricting access to input and output documents, including "view-only" access and other restrictions designed to protect data;

UU.4.4.5. Monitor privacy and security practices to determine whether breaches have occurred;

UU.4.4.6. Sanction anyone within the Contractor's control, including Transportation Providers, who violates the privacy and security policies;

UU.4.4.7. Implement corrective actions and establish mechanisms to avoid the recurrence of a breach; and

UU.4.4.8. Recover data that has been released without authorization.

UU.4.5. Train all of its employees, directors, and officers concerning state and federal privacy and security laws governing confidentiality as more fully described in Section SS of this Contract, Staff and Transportation Provider Training and Procedures;

UU.4.6. Cooperate with the Department in taking all steps deemed advisable by the Department to minimize misuse, regain possession, and/or otherwise protect the State of Connecticut's rights and the data subject's privacy;

UU.4.7. Allow access to any personal data held in its possession solely to those employees of the Department who require such information in the performance of their occupational responsibilities;

UU.4.8. Agree to implement any improvements or modifications resulting from periodic physical security reviews;

UU.4.9. Require each employee or any other person to whom the Contractor grants access to client information under this contract to sign a statement indicating that he or she is informed of, understands, and will abide by state and federal statutes and regulations concerning confidentiality, privacy and security;

UU.4.10. Notify the Department the same day, and in writing by the next business day, that anyone in the Contractor's control has:

UU.4.10.1. Improperly disclosed client information or improperly used, copied or removed client data;

UU.4.10.2. Misused or used without proper authorization, an operator password or authorization number, whether or not such use has resulted in fraud or abuse; or

UU.4.10.3. Received any subpoena for client data or any material related to the contract in the Contractor's possession.

UU.4.11. Notify the Department, in writing, and consult with the Department by the next business day, when:

UU.4.11.1. A subpoena has been served on the Contractor; or

UU.4.11.2. A request made pursuant to the state Freedom of Information Act (Conn. Gen. Stat. 1-200, et seq.) received by the Contractor concerning material held by the Contractor related to the contract. As an agent of the Department, the successful Proposer may not respond to Freedom of Information Act requests without prior approval from the Department.

UU.4.12. Designate a key person who will be responsible for implementation and monitoring of compliance with privacy and security policies and procedures;

UU.4.13. Retain records in accordance with the most current version of the State of Connecticut record retention schedule supplied to the Contractor by the Department;

UU.4.14. Securely transport paper records, documents and electronic files to the Department or to another facility that the Department identifies for the actual destruction of paper records and documents; and

UU.4.15. Comply with 45 CFR Parts 160 and 164 regarding Breach Notification and Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals.

VV. Department Responsibilities - To complete the tasks herein the Department shall:

VV.1. Engage in good faith negotiations to execute a contract by November 9, 2012.

VV.2. Review the Contractor's Implementation Plan and periodic updates and not unreasonably withhold approval of the Plan and subsequent updates.

VV.3. Conduct a readiness review ongoing from the date of execution of the contract to be completed by January 1, 2013.

VV.4. Approve all key personnel at the start of the contract and re-evaluate key personnel throughout the term of the contract.

VV.5. Require NEMT Contractor to pay for all NEMT services authorized, scheduled and provided to the HUSKY A, HUSKY C, and HUSKY D populations prior to February 1, 2013.

VV.6. With the Contractor's input, establish reasonable, market-based reimbursement rates for livery and non-emergency ambulance services.

VV.7. Negotiate annual performance targets with the Contractor, to be added to Exhibit A each year.

WW. Conflicts of interest

WW.1. The contractor, by executing this contract, attests to the fact that it has no contractual relationships that would violate 42 CFR 440.170.

XX. Contractor Payment

XX.1. Department payments to the Contractor: The Department will pay the Contractor an administrative payment for the successful performance of administrative services and will reimburse the Contractor based on the submission and approval of invoices for expenses, based on the approved, fixed budget with the Department. The Department will reimburse the Contractor for approved NEMT costs that are not payable through HP including:

XX.1.1. NEMT costs for clients who are pending but are listed and identified on monthly and daily files provided to the Contractor or when the Department has prior approved and verified the status of such individuals, including clients who are pending but require ambulance transportation;

XX.1.2. Common carrier purchases (bus, train and commercial air);

XX.1.3. Payments for personal reimbursements; and

XX.1.4. Out-of-state (facility to facility) transports. The Department will reimburse the Contractor when properly invoiced for these expenses and when the Contractor provides supportive encounter data in HIPAA compliant form utilizing HCPCS codes as required by the Department.

XX.2. The Contractor will not be at risk for transportation costs, so long as they are administered in accordance with the terms of the contract, federal and state regulations, any Department policies and procedures issued to the Contractor and as long as the Contractor maintains adequate records and documentation of all transportation transactions for purposes of audit. The Department will establish the rates paid to Transportation Providers for non-emergency ambulance, wheelchair van,

livery services and personal reimbursements and other modes as may be determined by the Department.

XX.2.1. The Department shall deposit with Contractor, on or before the first working day of each calendar month, the estimated total dollar amount for livery and wheelchair NEMT claims to be paid by Contractor during that month.

XX.2.1.1. The estimated dollar amount pre-funded to Contractor each month shall be no less than the total amount of livery and wheelchair NEMT claims paid by Contractor during the preceding month, or such other amount as mutually agreed to by the parties.

XX.2.1.2. If the dollar amount of livery and wheelchair NEMT claims for a month exceeds the dollar amount pre-funded by the Department, the Department shall, within five business days of notice from the Contractor that additional funding is needed, either pre-fund the dollar amount necessary to pay the remaining claims, or direct Contractor pay the remaining claims and to invoice the Department for the cost of such claims.

XX.2.1.3. Within 15 business day after the end of each month the Contractor shall submit to the Department encounter data for all livery and wheelchair claims paid during the preceding month, together with an invoice for any livery and wheelchair claims paid directly by Contractor (not pre-funded by the Department). The encounter data shall be in a HIPAA compliant format as required by the Department. Department shall reimburse Contractor for transportation provider claims paid by Contractor above and beyond the pre-funded amount, within thirty (30) days of receipt of Contractor's monthly invoice and electronic encounter file.

XX.2.1.4. Within 15 business days after the end of each calendar quarter the Contractor shall submit to the Department a reconciliation report accounting for all amounts pre-funded by the Department, and all livery and wheelchair claims paid by the Contractor, during the preceding quarter. The reconciliation report will identify the amount of any unused pre-funded amounts, which, at the discretion of the Department, shall be credited by Contractor toward the next monthly pre-funding amounts, or shall be reimbursed by the Contractor to the Department within 15 days of request for reimbursement by the Department.

XX.3. For the performance of the services and tasks described herein, based upon review and approval by the Department, and actual costs incurred, the Contractor shall receive a maximum dollar amount not to exceed $24,796,833, in accordance with the attached budget. The Contractor additionally shall be eligible for an additional amount over the term of the contract of $1,859,762.44 which represents a potential of 7.5% on the total contract value. These dollars may be paid in whole or in part, contingent upon the Contractor meeting the specific requirements of the performance targets, attached hereto as Exhibit A.

XX.4. All payments to the Contractor will be contingent upon the Department's receipt and approval of an itemized invoice with a detailed description of the work completed.

XX.5. The Contractor acknowledges that DSS may claim the funds provided through this Agreement as part of a DSS federal claim and therefore, the funds are not to be used as a match for any other federal program. The Contractor shall include this provision in any subcontract agreements that are funded, in whole or in part, by the funds from this agreement.

XX.6. The Contractor shall administer NEMT as a non-risk Broker. Under the non-risk arrangement, the Department, through HP, will pay for non-emergency ambulance costs while the Contractor will pay for livery and all other legitimate NEMT costs, as permitted by DSS, and will be reimbursed for such costs by the Department. The Contractor's payment (but not the reimbursements from the Department for livery and other legitimate NEMT costs) will be subject to a withhold of 7.5% that will be released incrementally, contingent upon the Contractor's ability to meet negotiated performance targets as defined in Exhibit A, "Performance Targets." The Performance Targets shall be renegotiated by the parties each year and shall not require an amendment but shall supplement the existent targets. The annual negotiated Performance Targets shall be fully incorporated as part of Exhibit A.

YY. Budget and Payment Provisions

YY.1. Overview: This section sets forth the payment provisions and conditions for goods and services provided or performed, as the case may be, pursuant to this contract.

YY.2. Contractor Reimbursement – Start-up Period

YY.2.1. The maximum value of this contract for the performance of the administrative services required to meet each of the requirements of this contract during the start-up period, defined as November 9, 2012through the date that the Department releases the Contractor's implementation team, shall not exceed $31,523.00 and shall be expended in accordance with the budget in Exhibit E.

YY.2.2. The Contractor shall be paid the start-up budget within thirty (30) days of the Contractor's completion, and the Department's acceptance of, each of the following milestones:

YY.2.2.1. Contract execution;

YY.2.2.2. Successful loading of a complete eligibility file with Contractor;

YY.2.2.3. Successful claims test file with the DSS MMIS contractor;

YY.2.2.4. Successful pre-implementation readiness review.

YY.2.3. Within ninety days after the program start date, the Department shall pay to Contractor the balance, if any, of the start-up budget. Contractor shall submit to the Department a reconciliation of the actual expenditures incurred and paid by the Contractor during the start-up period against the payments received from the Department. The Department shall require the return of any under expenditures; apply the under expenditures against a future payment or direct the Contractor to reinvest the under expenditure into the Contract's scope of work.

YY.3. Contractor Reimbursement – Operating Years

YY.3.1. The maximum value of this contract for the performance of the administrative services required to meet the requirements of this contract on an annual basis for each of the five years of full contract operations shall be set forth in Exhibit E to this contract.

YY.3.2. The schedule of monthly payments ($1/12^{th}$ of annual budget) for the performance of the administrative services required to meet the requirements of this contract shall be set forth in Exhibit E to this contract. Throughout the contract period such scheduled monthly payments may be revised in accordance with the terms of this contract.

YY.3.3. The Contractor and the Department may re-negotiate agreed upon terms if the NEMT program experiences membership, benefit availability or access to covered services that increase utilization.

YY.3.4. The Contractor shall utilize the funds paid under this contract by the Department for the administrative services provided under this contract in accordance with the corresponding budgets set forth in Exhibit E.

YY.3.5. The 7.5% profit withhold and any budget percent withheld shall be paid to the Contractor, in whole or in part, contingent upon the Contractor's success in meeting established Performance Targets as set forth in Exhibit A.

YY.3.6. Each monthly payment request must be submitted on a DSS W-1270 Form to the DSS Contract Manager. Request for payment will be honored and funds released within thirty (30) days of receipt of the invoice with review and acceptance by the Department, the availability of funds and the Contractor's satisfactory compliance with the terms of the contract.

YY.3.7. The form and content of any financial reports to be submitted by Contractor shall be developed by and agreed to by the Contractor and the Department in advance of the due date of such financial report. If required, financial reports shall be submitted in accordance with the provisions of Exhibit D and shall be directed to the Department's Contract Manager and the Department's Director of the Division of Financial Management and Analysis.

YY.3.8. When the Department's review of any financial report, final reconciliation or on-site examination of the Contractor's financial records indicate that under expenditure or under utilization of contract funds has or is likely to occur by the end of each contract year, the Department shall, with advance notice to and in consultation with the Contractor, demand the return to the Department, in full, any unexpended funds; alter the payment schedule for the balance of the contract period; direct the Contractor to reinvest the under expended funds in the program so long as the reinvestment tasks are within the agreed to scope of work or authorize that the unexpended funds be carried over and used as part of a new contract period if a new similar contract is executed.

YY.3.9. The Department shall conduct a final reconciliation of the payments received by Contractor's against actual expenditures as reported in the audited financial statements or other financial reports and agreed upon procedures required to be submitted by the Contractor. The Department shall require the return of any disallowed expenditures and may require the Contractor to return the funds to the Department or reinvest any unexpended funds into the scope of work in the Contract.

YY.3.10. Throughout the term of the contract the Contractor shall reconcile actual expenditures as reported in the audited financial statements or agreed upon procedures against payments received from the Department. The reconciliation shall be prepared by the Contractor and submitted to the Contract Managers, in accordance with the following schedule:

For the Period	The reconciliation is due on or before:
January 1, 2013 – December 31, 2013	May 31, 2014
January 1, 2014 – December 31, 2014	May 31, 2015
January 1, 2015 – December 31, 2015	May 31, 2016
January 1, 2016 – December 31, 2016	May 31, 2017

YY.4. Optional Tasks/Change Orders

YY.4.1. The Contractor authorizes its Connecticut General Manager to request or agree to, in response to the Department's requests, minor modifications to the Contract which do not alter the scope of work within this Contract.

YY.4.2. If the requested changes pertain to an existing task but the specific changes are outside of the scope of work for the specific task, the Contractor shall submit to the Department a Change Order request documenting the scope of the change, the staffing levels and/or direct charges required to address the change,

the cost to the Department and the impact of the cost on the approved budget. The Contractor shall not be authorized to work on any Change Order unless and until the Department provides the Contractor with their written approval. Significant Change Order work may require authorization from the State of Connecticut Office of Policy and Management in order to amend the contract to allocate additional funds to this project.

YY.4.3. If the requested changes do not pertain to an existing task and are therefore outside the Scope of Work in this contract the Department shall issue a request to the Contractor identifying the scope of the optional task to be performed. Within ten (10) business days of the Contractor's receipt of the task request or such other date as agreed to by the Department, the Contractor shall provide the Department with a work plan including start and end dates, staffing plan, total cost for the task and payment schedule. The Department will review the materials and approve, reject or revise the task request. The Contractor shall not be authorized to work on any optional tasks unless and until the Department provides the Contractor with an approved task order. Significant task requests may require authorization from the State of Connecticut Office of Policy and Management in order to amend the contract to allocate additional funds to this project.

YY.5. Capital Purchases

YY.5.1. The Contractor shall be responsible for all capital expenditures within the approved amount for "Total Other Direct Costs". If, during the term of the contract, the Department or the Contractor identifies a need to purchase additional capital equipment to address special requirements outside of the scope of work imposed by the Department, the Contractor shall provide the Department with a written request for the purchase. The request shall identify the equipment to be purchased with a written justification for the purchase, the per unit cost and maximum total cost. The Department shall within thirty (30) calendar days of the receipt of the request, deny or approve the request up to the total maximum cost. If approved by the Department the Contractor shall be reimbursed for the actual cost, not to exceed the maximum total cost set forth in the Department's approval, incurred through the purchase of the requested equipment.

YY.6. Withholding of Payment

YY.6.1. The Department and the Contractor acknowledge that there will be certain administrative requirements throughout this contract, for which there are no penalties assessed in this Contract with respect to Contractor's failure to perform or provide in the manner and within the timeframe agreed to by the Department and Contractor. With respect to such requirements, the Department shall have the discretion to withhold payment in the event Contractor fails to perform or provide the administrative requirements as agreed to with the Department. The withholding of payment shall be subject to the requirements set forth in subsection YY.6.2, below.

YY.6.2. If the Department determines that Contractor is not performing or providing or has not performed or provided the administrative requirements set forth herein in the manner agreed to by the Department and Contractor, the Department shall notify Contractor of that fact in writing. Such written notice shall include a description of the deficiency and any suggestions or recommendations the Department may have for addressing the deficiency. The Contractor shall have ten (10) calendar days, or such other time as the parties may agree in writing, from the date it receives such notice to correct the deficiency or agree with the Department upon a plan for correcting such deficiency. If the Contractor fails to correct the deficiency or agree with the Department upon a plan for correcting the deficiency within the ten (10) calendar day time period, or such other time period as the parties have agreed, then the Department may withhold payment to the Contractor. The Department may withhold up to 10 percent of the monthly payment as set forth in Exhibit E of this contract owed to the Contractor for each month during which the Department determine that the deficiency has not been cured as agreed upon by the parties. No withhold of payment shall be imposed upon the Contractor pursuant to this Section if the alleged deficiency is being disputed by Contractor pursuant to Part II, Section D.7 of this Contract. The Departments shall release the withheld payment to the Contractor immediately upon the Department's determination that the deficiency has been corrected as agreed or the Contractor has prevailed in its dispute of the alleged deficiency.

ZZ.Notices

ZZ.1. In addition to the persons listed on page 1 of this contract, notices shall be addressed as follows:

ZZ.1.1. In case of notice(s) to the Department regarding the scope of services:

ZZ.1.1.1. Judi Jordan, Department of Social Services, 25 Sigourney Street, Hartford, CT 06106; judith.jordan@ct.gov; (860) 424-5860

ZZ.1.2. In case of notice to the Department regarding contractual matters:

ZZ.1.2.1. Andrea Alexander, Contracts Supervisor, Department of Social Services, 25 Sigourney Street, Hartford, CT 06106; andrea.alexander@ct.gov; (860) 424-5780

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PART II. TERMS AND CONDITIONS

The Contractor shall comply with the following terms and conditions.

A. **DEFINITIONS.** Unless otherwise indicated, the following terms shall have the following corresponding definitions:

1. **"Bid"** shall mean a bid submitted in response to a solicitation.

2. **"Breach"** shall mean a party's failure to perform some contracted-for or agreed-upon act, or his failure to comply with a duty imposed by law which is owed to another or to society.

3. **"Cancellation"** shall mean an end to the Contract affected pursuant to a right which the Contract creates due to a Breach.

4. **"Claims"** shall mean all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum.

5. **"Client"** shall mean a recipient of the Contractor's services.

6. **"Contract"** shall mean this agreement, as of its effective date, between the Contractor and the State for Services.

7. **"Contractor Parties"** shall mean a Contractor's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract (e.g. subcontractor) and the Contractor intends for such other person or entity to perform under the Contract in any capacity. For the purpose of this contract, vendors of support services, not otherwise known as human service providers or educators, shall not be considered subcontractors, e.g. lawn care, unless such activity is considered part of a training, vocational or educational program.

8. **"Data"** shall mean all results, technical information and materials developed and/or obtained in the performance of the Services hereunder, including but not limited to all reports, survey and evaluation tools, surveys and evaluations, plans, charts, recordings (video and/or sound), pictures, curricula, electronically prepared presentations, public awareness or prevention campaign materials, drawings, analyses, graphic representations, computer programs and printouts, notes and memoranda, and documents, whether finished or unfinished, which result from or are prepared in connection with the Services performed hereunder.

9. **"Day"** shall mean all calendar days, other than Saturdays, Sundays and days designated as national or State of Connecticut holidays upon which banks in Connecticut are closed.

10. **"Expiration"** shall mean an end to the Contract due to the completion in full of the mutual performances of the parties or due to the Contract's term being completed.

11. **"Force Majeure"** shall mean events that materially affect the Services or the time schedule within which to perform and are outside the control of the party asserting that such an event has occurred, including, but not limited to, labor troubles unrelated to the Contractor, failure of or inadequate permanent power, unavoidable casualties, fire not caused by the Contractor, extraordinary weather conditions, disasters, riots, acts of God, insurrection or war.

12. **"Records"** shall mean all working papers and such other information and materials as may have been accumulated and/or produced by the Contractor in performing the Contract, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form.

13. **"Services"** shall mean the performance of Services as stated in Part I of this Contract.

14. **"State"** shall mean the State of Connecticut, including any agency, office, department, board, council, commission, institution or other executive branch agency of State Government.

15. **"Termination"** shall mean an end to the Contract affected pursuant to a right which the Contract creates, other than for a Breach.

B. CONTRACTOR OBLIGATIONS.

1. **Credits and Rights in Data.** Unless expressly waived in writing by the Agency, all Records and publications intended for public distribution during or resulting from the performances of this Contract shall include a statement acknowledging the financial support of the State and the Agency and, where applicable, the federal government. All such publications shall be released in conformance with applicable federal and state law and all regulations regarding confidentiality. Any liability arising from such a release by the Contractor shall be the sole responsibility of the Contractor and the Contractor shall indemnify and hold harmless the Agency, unless the Agency or its agents co-authored said publication and said release is done with the prior written approval of the Agency Head. All publications shall contain the following statement: "This publication does not express the views of the [insert Agency name] or the State of Connecticut. The views and opinions expressed are those of the authors." Neither the Contractor nor any of its agents shall copyright Data and information obtained under this Contract, unless expressly previously authorized in writing by the Agency. The Agency shall have the right to publish, duplicate, use and disclose all such Data in any manner, and may authorize others to do so. The Agency may copyright any Data without prior Notice to the Contractor. The Contractor does not assume any responsibility for the use, publication or disclosure solely by the Agency of such Data.

2. **Organizational Information, Conflict of Interest, IRS Form 990.** During the term of this Contract and for the one hundred eighty (180) days following its date of Termination

and/or Cancellation, the Contractor shall upon the Agency's request provide copies of the following documents within ten (10) Days after receipt of the request:

(a) its most recent IRS Form 990 submitted to the Internal Revenue Service, and

(b) its most recent Annual Report filed with the Connecticut Secretary of the State's Office or such other information that the Agency deems appropriate with respect to the organization and affiliation of the Contractor and related entities.

This provision shall continue to be binding upon the Contractor for one hundred and eighty (180) Days following the termination or cancellation of the Contract.

3. Federal Funds.

(a) The Contractor shall comply with requirements relating to the receipt or use of federal funds. The Agency shall specify all such requirements in Part I of this Contract.

(b) The Contractor acknowledges that the Agency has established a policy, as mandated by section 6032 of the Deficit Reduction Act (DRA) of 2005, P.L. 109-171, that provides detailed information about the Federal False Claims Act, 31 U.S.C. §§ 3729-3733, and other laws supporting the detection and prevention of fraud and abuse.

(1) Contractor acknowledges that is has received a copy of said policy and shall comply with its terms, as amended, and with all applicable state and federal laws, regulations and rules. Contractor shall provide said policy to subcontractors and shall require compliance with the terms of the policy. Failure to abide by the terms of the policy, as determined by the Agency, shall constitute a Breach of this Contract and may result in termination of this Contract.

(c) This section applies if, under this Contract, the Contractor or Contractor Parties furnishes, or otherwise authorizes the furnishing of health care items or services, performs billing or coding functions, or is involved in monitoring of health care provided by the Agency.

(d) Contractor represents that it is not excluded, debarred, suspended or otherwise ineligible to participate in federal health care programs.

(e) Contractor shall not, for purposes of performing the Contract with the Agency, knowingly employ or contract with, with or without compensation: (A) any individual or entity listed by a federal agency as excluded, debarred, suspended or otherwise ineligible to participate in federal health care programs; or (B) any person or entity who is excluded from contracting with the State of Connecticut or the federal government (as reflected in the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement

Programs, Department of Health and Human Services, Office of Inspector General (HHS/OIG) Excluded Parties list and the Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons List). Contractor shall immediately notify the Agency should it become subject to an investigation or inquiry involving items or services reimbursable under a federal health care program or be listed as ineligible for participation in or to perform services in connection with such program. The Agency may terminate this Contract immediately if at any point the Contractor, subcontractor or any of their employees are sanctioned, suspended, excluded from or otherwise become ineligible to participate in federal health care programs.

4. **Audit Requirements.**

(a) The State Auditors of Public Accounts shall have access to all Records for the fiscal year(s) in which the award was made. The Contractor shall provide for an annual financial audit acceptable to the Agency for any expenditure of state-awarded funds made by the Contractor. Such audit shall include management letters and audit recommendations. The Contractor shall comply with federal and state single audit standards as applicable.

(b) The Contractor shall make all of its and the Contractor Parties' Records available at all reasonable hours for audit and inspection by the State, including, but not limited to, the Agency, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents. Requests for any audit or inspection shall be in writing, at least ten (10) days prior to the requested date. All audits and inspections shall be at the requester's expense. The State may request an audit or inspection at any time during the Contract term and for three (3) years after Termination, Cancellation or Expiration of the Contract. The Contractor shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Contractor shall cooperate with an exit conference.

(c) For purposes of this subsection as it relates to State grants, the word "Contractor" shall be read to mean "nonstate entity," as that term is defined in C.G.S. § 4-230.

5. **Related Party Transactions.** The Contractor shall report all related party transactions, as defined in this section, to the Agency on an annual basis in the appropriate fiscal report as specified in Part I of this Contract. "Related party" means a person or organization related through marriage, ability to control, ownership, family or business association. Past exercise of influence or control need not be shown, only the potential or ability to directly or indirectly exercise influence or control. "Related party transactions" between a Contractor or Contractor Party and a related party include, but are not limited to:

(a) real estate sales or leases;

(b) leases for equipment, vehicles or household furnishings;

(c) mortgages, loans and working capital loans; and

(d) contracts for management, consultant and professional services as well as for materials, supplies and other services purchased by the Contractor or Contractor Party.

6. **Suspension or Debarment.** In addition to the representations and requirements set forth in Section C.4:

(a) The Contractor certifies for itself and Contractor Parties involved in the administration of federal or state funds that they:

(1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental agency (federal, state or local);

(2) within a three year period preceding the effective date of this Contract, have not been convicted 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; for 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 for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the above offenses; (4) have not within a three year period preceding the effective date of this Contract had one or more public transactions terminated for cause or fault.

(b) Any change in the above status shall be immediately reported to the Agency.

7. **Subcontracts.** Each Contractor Party's identity, services to be rendered and costs shall be detailed in Part I of this Contract. Absent compliance with this requirement, no Contractor Party may be used or expense paid under this Contract unless expressly otherwise provided in Part I of this Contract. No Contractor Party shall acquire any direct right of payment from the Agency by virtue of this section or any other section of this Contract. The use of Contractor Parties shall not relieve the Contractor of any responsibility or liability under this Contract. The Contractor shall make available copies of all subcontracts to the Agency upon request.

8. **Independent Capacity of Contractor.** The Contractor and Contractor Parties shall act in an independent capacity and not as officers or employees of the state of Connecticut or of the Agency.

9. **Indemnification.**

(a) The Contractor shall indemnify, defend and hold harmless the state of Connecticut and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all:

(1) claims arising directly or indirectly, in connection with the Contract, including the acts of commission or omission (collectively the "Acts") of the Contractor or Contractor Parties; and

(2) liabilities, damages, losses, costs and expenses, including but not limited to attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the Contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its indemnification and hold-harmless obligations under this Contract. The Contractor's obligations under this section to indemnify, defend and hold harmless against claims includes claims concerning confidentiality of any part of or all of the bid or any records, and intellectual property rights, other propriety rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the performance of the Contract.

(b) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor or any Contractor Parties. The State shall give the Contractor reasonable notice of any such claims.

(c) The Contractor's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the Contract, without being lessened or compromised in any way, even where the Contractor is alleged or is found to have merely contributed in part to the Acts giving rise to the claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the claims.

(d) The Contractor shall carry and maintain at all times during the term of the Contract, and during the time that any sections survive the term of the Contract, sufficient general liability insurance to satisfy its obligations under this Contract. The Contractor shall name the State as an additional insured on the policy and shall provide a copy of the policy to the Agency prior to the effective date of the Contract. The Contractor shall not begin performance until the delivery of the policy to the Agency.

(e) The rights provided in this section for the benefit of the State shall encompass the recovery of attorneys' and other professionals' fees expended in pursuing a claim against a third party.

(f) This section shall survive the Termination, Cancellation or Expiration of the Contract, and shall not be limited by reason of any insurance coverage.

10. **Insurance.** The Contractor agrees that while performing services specified in this agreement that it will carry sufficient insurance (liability and/or other) as applicable according to the nature of the service(s) to be performed so as to "save harmless" the State of Connecticut from any insurable cause whatsoever. If requested, certificates of such insurance shall be provided to the contracting State agency and such certificates shall clearly show that the State and the agency are covered by such insurance.

11. **Choice of Law/Choice of Forum, Settlement of Disputes, Claims Against the State.**

(a) The Contract shall be deemed to have been made in the City of Hartford, State of Connecticut. Both Parties agree that it is fair and reasonable for the validity and construction of the Contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

(b) Any dispute concerning the interpretation or application of this Contract shall be decided by the Agency Head or his/her designee whose decision shall be final, subject to any rights the Contractor may have pursuant to state law. In appealing a dispute to the Agency Head pursuant to this section, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final resolution of a dispute, the Contractor and the Agency shall proceed diligently with the performance of the Contract.

(c) The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this Contract shall be in accordance with Title 4, Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings, except as authorized by that Chapter, in any state or federal court in addition to or in lieu of said Chapter 53 proceedings.

12. **Compliance with Law and Policy, Facility Standards and Licensing.** Contractor shall comply with all:

(a) pertinent local, state and federal laws and regulations as well as Agency policies and procedures applicable to contractor's programs as specified in this Contract. The Agency shall notify the Contractor of any applicable new or

revised laws, regulations, policies or procedures which the Agency has responsibility to promulgate or enforce; and

(b) applicable local, state and federal licensing, zoning, building, health, fire and safety regulations or ordinances, as well as standards and criteria of pertinent state and federal authorities. Unless otherwise provided by law, the Contractor is not relieved of compliance while formally contesting the authority to require such standards, regulations, statutes, ordinance or criteria.

13. **Representations and Warranties.** Contractor shall:

(a) perform fully under the Contract;

(b) pay for and/or secure all permits, licenses and fees and give all required or appropriate notices with respect to the provision of Services as described in Part I of this Contract; and

(c) adhere to all contractual sections ensuring the confidentiality of all Records that the Contractor has access to and are exempt from disclosure under the State's Freedom of Information Act or other applicable law.

14. **Reports.** The Contractor shall provide the Agency with such statistical, financial and programmatic information necessary to monitor and evaluate compliance with the Contract. All requests for such information shall comply with all applicable state and federal confidentiality laws. The Contractor shall provide the Agency with such reports as the Agency requests as required by this Contract.

15. **Delinquent Reports.** The Contractor shall submit required reports by the designated due dates as identified in this Contract. After notice to the Contractor and an opportunity for a meeting with an Agency representative, the Agency reserves the right to withhold payments for services performed under this Contract if the Agency has not received acceptable progress reports, expenditure reports, refunds, and/or audits as required by this Contract or previous contracts for similar or equivalent services the Contractor has entered into with the Agency. This section shall survive any Termination of the Contract or the Expiration of its term.

16. **Record Keeping and Access.** The Contractor shall maintain books, Records, documents, program and individual service records and other evidence of its accounting and billing procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature incurred in the performance of this Contract. These Records shall be subject at all reasonable times to monitoring, inspection, review or audit by authorized employees or agents of the State or, where applicable, federal agencies. The Contractor shall retain all such Records concerning this Contract for a period of three (3) years after the completion and submission to the State of the Contractor's annual financial audit.

17. Protection of Personal Information.

(a) Contractor and Contractor Parties, at their own expense, have a duty to and shall protect from a Personal Information Breach any and all Personal Information which they come to possess or control, wherever and however stored or maintained, in a commercially reasonable manner in accordance with current industry standards. http://www.ct.gov/doit/cwp/view.asp?a=1245&q=253968http://www.ct.gov/doit/cwp/view.asp?a=1245&q=253968

(b) Each Contractor or Contractor Party shall implement and maintain a comprehensive data security program for the protection of Personal Information. The safeguards contained in such program shall be consistent with and comply with the safeguards for protection of Personal Information, and information of a similar character, as set forth in all applicable federal and state law and written policy of the Department or State concerning the confidentiality of Personal Information. Such data-security program shall include, but not be limited to, the following:

(1) A security policy for employees related to the storage, access and transportation of data containing Personal Information;
(2) Reasonable restrictions on access to records containing Personal Information, including access to any locked storage where such records are kept;
(3) A process for reviewing policies and security measures at least annually;
(4) Creating secure access controls to Personal Information, including but not limited to passwords; and
(5) Encrypting of Personal Information that is stored on laptops, portable devices or being transmitted electronically.

(c) The Contractor and Contractor Parties shall notify the Department and the Connecticut Office of the Attorney General as soon as practical, but no later than twenty-four (24) hours, after they become aware of or suspect that any Personal Information which Contractor or Contractor Parties possess or control has been subject to a Personal Information Breach. If a Personal Information Breach has occurred, the Contractor shall, within three (3) business days after the notification, present a credit monitoring and protection plan to the Commissioner of Administrative Services, the Department and the Connecticut Office of the Attorney General, for review and approval. Such credit monitoring or protection plan shall be made available by the Contractor at its own cost and expense to all individuals affected by the Personal Information Breach. Such credit monitoring or protection plan shall include, but is not limited to reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to Connecticut General Statutes § 36a-701a. Such credit monitoring or protection plans shall be approved by the State in accordance with this Section and shall cover a length of time commensurate with the circumstances of the Personal Information Breach. The Contractors' costs and

expenses for the credit monitoring and protection plan shall not be recoverable from the Department, any State of Connecticut entity or any affected individuals.

(d) The Contractor shall incorporate the requirements of this Section in all subcontracts requiring each Contractor Party to safeguard Personal Information in the same manner as provided for in this Section.

(e) Nothing in this Section shall supersede in any manner Contractor's or Contractor Party's obligations pursuant to HIPAA or the provisions of this Contract concerning the obligations of the Contractor as a Business Associate of the Department.

18. **Workforce Analysis.** The Contractor shall provide a workforce Analysis Affirmative Action report related to employment practices and procedures.

19. **Litigation.**

(a) The Contractor shall require that all Contractor Parties, as appropriate, disclose to the Contractor, to the best of their knowledge, any Claims involving the Contractor Parties that might reasonably be expected to materially adversely affect their businesses, operations, assets, properties, financial stability, business prospects or ability to perform fully under the Contract, no later than ten (10) days after becoming aware or after they should have become aware of any such Claims. Disclosure shall be in writing.

(b) The Contractor shall provide written Notice to the Agency of any final decision by any tribunal or state or federal agency or court which is adverse to the Contractor or which results in a settlement, compromise or claim or agreement of any kind for any action or proceeding brought against the Contractor or its employee or agent under the Americans with Disabilities Act of 1990 as revised or amended from time to time, Executive Orders Nos. 3 & 17 of Governor Thomas J. Meskill and any other requirements of federal or state law concerning equal employment opportunities or nondiscriminatory practices.

20. **Sovereign Immunity.** The Contractor and Contractor Parties acknowledge and agree that nothing in the Contract, or the solicitation leading up to the Contract, shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of the Contract. To the extent that this Section conflicts with any other Section, this Section shall govern.

C. CHANGES TO THE CONTRACT, TERMINATION, CANCELLATION, AND EXPIRATION.

1. **Contract Amendment.**

(a) No amendment to or modification or other alteration of this Contract shall be valid or binding upon the parties unless made in writing, signed by the parties and, if applicable, approved by the Connecticut Attorney General.

(b) The Agency may amend this Contract to reduce the contracted amount of compensation if:

(1) the total amount budgeted by the State for the operation of the Agency or Services provided under the program is reduced or made unavailable in any way; or

(2) federal funding reduction results in reallocation of funds within the Agency.

(c) If the Agency decides to reduce the compensation, the Agency shall send written Notice to the Contractor. Within twenty (20) Days of the Contractor's receipt of the Notice, the Contractor and the Agency shall negotiate the implementation of the reduction of compensation unless the parties mutually agree that such negotiations would be futile. If the parties fail to negotiate an implementation schedule, then the Agency may terminate the Contract effective no earlier than sixty (60) Days from the date that the Contractor receives written notification of Termination and the date that work under this Contract shall cease.

2. Contractor Changes and Assignment.

(a) The Contractor shall notify the Agency in writing:

(1) at least ninety (90) days prior to the effective date of any fundamental changes in the Contractor's corporate status, including merger, acquisition, transfer of assets, and any change in fiduciary responsibility;

(2) no later than ten (10) days from the effective date of any change in:

(A) its certificate of incorporation or other organizational document;

(B) more than a controlling interest in the ownership of the Contractor; or

(C) the individual(s) in charge of the performance.

(b) No such change shall relieve the Contractor of any responsibility for the accuracy and completeness of the performance. The Agency, after receiving written Notice from the Contractor of any such change, may require such contracts, releases and other instruments evidencing, to the Agency's satisfaction, that any individuals retiring or otherwise separating from the

Contractor have been compensated in full or that allowance has been made for compensation in full, for all work performed under terms of the Contract. The Contractor shall deliver such documents to the Agency in accordance with the terms of the Agency's written request. The Agency may also require, and the Contractor shall deliver, a financial statement showing that solvency of the Contractor is maintained. The death of any Contractor Party, as applicable, shall not release the Contractor from the obligation to perform under the Contract; the surviving Contractor Parties, as appropriate, must continue to perform under the Contract until performance is fully completed.

(c) Assignment. The Contractor shall not assign any of its rights or obligations under the Contract, voluntarily or otherwise, in any manner without the prior written consent of the Agency.

(1) The Contractor shall comply with requests for documentation deemed to be appropriate by the Agency in considering whether to consent to such assignment.

(2) The Agency shall notify the Contractor of its decision no later than forty-five (45) Days from the date the Agency receives all requested documentation.

(3) The Agency may void any assignment made without the Agency's consent and deem such assignment to be in violation of this Section and to be in Breach of the Contract. Any cancellation of this Contract by the Agency for a Breach shall be without prejudice to the Agency's or the State's rights or possible claims against the Contractor.

3. Breach.

(a) If either party Breaches this Contract in any respect, the non-breaching party shall provide written notice of the Breach to the breaching party and afford the breaching party an opportunity to cure within ten (10) Days from the date that the breaching party receives the notice. In the case of a Contractor Breach, the Agency may modify the ten (10) day cure period in the notice of Breach. The right to cure period shall be extended if the non-breaching party is satisfied that the breaching party is making a good faith effort to cure, but the nature of the Breach is such that it cannot be cured within the right to cure period. The Notice may include an effective Contract Termination date if the Breach is not cured by the stated date and, unless otherwise modified by the non-breaching party in writing prior to the Termination date, no further action shall be required of any party to effect the Termination as of the stated date. If the notice does not set forth an effective Contract Termination date, then the non-breaching party may terminate the Contract by giving the breaching party no less than twenty four (24) hours' prior written Notice after the expiration of the cure period.

(b) If the Agency believes that the Contractor has not performed according to the Contract, the Agency may:

(1) withhold payment in whole or in part pending resolution of the performance issue, provided that the Agency notifies the Contractor in writing prior to the date that the payment would have been due in accordance with the budget;

(2) temporarily discontinue all or part of the Services to be provided under the Contract;

(3) permanently discontinue part of the Services to be provided under the Contract;

(4) assign appropriate State personnel to provide contracted for Services to assure continued performance under the Contract until such time as the contractual Breach has been corrected to the satisfaction of the Agency;

(5) require that contract funding be used to enter into a subcontract with a person or persons designated by the Agency in order to bring the program into contractual compliance;

(6) take such other actions of any nature whatsoever as may be deemed appropriate for the best interests of the State or the program(s) provided under this Contract or both; or

(7) any combination of the above actions.

(c) The Contractor shall return all unexpended funds to the Agency no later than thirty (30) calendar days after the Contractor receives a demand from the Agency.

(d) In addition to the rights and remedies granted to the Agency by this Contract, the Agency shall have all other rights and remedies granted to it by law in the event of Breach of or default by the Contractor under the terms of this Contract.

(e) The action of the Agency shall be considered final. If at any step in this process the Contractor fails to comply with the procedure and, as applicable, the mutually agreed plan of correction, the Agency may proceed with Breach remedies as listed under this section.

4. **Non-enforcement Not to Constitute Waiver.** No waiver of any Breach of the Contract shall be interpreted or deemed to be a waiver of any other or subsequent Breach. All remedies afforded in the Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided in the Contract or at law or in equity. A party's failure to insist on strict performance of any section of the Contract shall only be deemed to be a waiver of rights and remedies concerning that specific instance of performance and shall not be deemed to be a waiver of any subsequent rights, remedies or Breach.

5. **Suspension.** If the Agency determines in its sole discretion that the health and welfare of the clients or public safety is being adversely affected, the Agency may immediately suspend in whole or in part the Contract without prior notice and take any action that it deems to be necessary or appropriate for the benefit of the clients. The Agency shall notify the Contractor of the specific reasons for taking such action in writing within five (5) Days of immediate suspension. Within five (5) Days of receipt of this notice, the Contractor may request in writing a meeting with the Agency Head or designee. Any such meeting shall be held within five (5) Days of the written request, or such later time as is mutually agreeable to the parties. At the meeting, the Contractor shall be given an opportunity to present information on why the Agency's actions should be reversed or modified. Within five (5) Days of such meeting, the Agency shall notify the Contractor in writing of his/her decision upholding, reversing or modifying the action of the Agency head or designee. This action of the Agency head or designee shall be considered final.

6. **Ending the Contractual Relationship.**

(a) This Contract shall remain in full force and effect for the duration of its entire term or until such time as it is terminated earlier by either party. Either party may terminate this contract by providing at least sixty (60) days prior written notice pursuant to the Notice requirements of this Contract.

(b) The Agency may immediately terminate the Contract in whole or in part whenever the Agency makes a determination that such termination is in the best interest of the State. Notwithstanding Section D.2, the Agency may immediately terminate or cancel this Contract in the event that the Contractor or any subcontractors becomes financially unstable to the point of threatening its ability to conduct the services required under this Contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or its assets.

(c) The Agency shall notify the Contractor in writing of Termination pursuant to subsection (b) above, which shall specify the effective date of termination and the extent to which the Contractor must complete or immediately cease performance. Such Notice of Termination shall be sent in accordance with the Notice provision contained on page 1 of this Contract. Upon receiving the Notice from the Agency, the Contractor shall immediately discontinue all Services affected in accordance with the Notice, undertake all reasonable and necessary efforts to mitigate any losses or damages, and deliver to the Agency all Records as defined in Section A.12, unless otherwise instructed by the Agency in writing, and take all actions that are necessary or appropriate, or that the Agency may reasonably direct, for the protection of Clients and preservation of any and all property. Such Records are deemed to be the property of the Agency and the Contractor shall deliver them to the Agency no later than thirty (30) days after the Termination of the Contract or fifteen (15) days after the Contractor receives a written request from the Agency for the specified records whichever is less. The Contractor shall deliver those Records that exist in electronic, magnetic or other

intangible form in a non-proprietary format, such as, but not limited to ASCII or .TXT.

(d) The Agency may terminate the Contract at any time without prior notice when the funding for the Contract is no longer available.

(e) The Contractor shall deliver to the Agency any deposits, prior payment, advance payment or down payment if the Contract is terminated by either party within thirty (30) days after receiving demand from the Agency. The Contractor shall return to the Agency any funds not expended in accordance with the terms and conditions of the Contract and, if the Contractor fails to do so upon demand, the Agency may recoup said funds from any future payments owing under this Contract or any other contract between the State and the Contractor. Allowable costs, as detailed in audit findings, incurred until the date of termination for operation or transition of program(s) under this Contract shall not be subject to recoupment.

7. Transition after Termination or Expiration of Contract.

(a) If this Contract is terminated for any reason or it expires in accordance with its term, the Contractor shall do and perform all things which the Agency determines to be necessary or appropriate to assist in the orderly transfer of Clients served under this Contract and shall assist in the orderly cessation of Services it performs under this Contract. In order to complete such transfer and wind down the performance, and only to the extent necessary or appropriate, if such activities are expected to take place beyond the stated end of the Contract term then the Contract shall be deemed to have been automatically extended by the mutual consent of the parties prior to its expiration without any affirmative act of either party, including executing an amendment to the Contract to extend the term, but only until the transfer and winding down are complete.

(b) If this Contract is terminated, cancelled or not renewed, the Contractor shall return to the Agency any equipment, deposits or down payments made or purchased with start-up funds or other funds specifically designated for such purpose under this Contract in accordance with the written instructions from the Agency in accordance with the Notice provision of this Contract. Written instructions shall include, but not be limited to, a description of the equipment to be returned, where the equipment shall be returned to and who is responsible to pay for the delivery/shipping costs. Unless the Agency specifies a shorter time frame in the letter of instructions, the Contractor shall affect the returns to the Agency no later than sixty (60) days from the date that the Contractor receives Notice.

D. STATUTORY AND REGULATORY COMPLIANCE.

1. Americans with Disabilities Act. The Contractor shall be and remain in compliance with the Americans with Disabilities Act of 1990 (http://www.ada.gov/) as amended from

time to time ("Act") to the extent applicable, during the term of the Contract. The Agency may cancel this Contract if the Contractor fails to comply with the Act. The Contractor represents that it is familiar with the terms of this Act and that it is in compliance with the law. The Contractor warrants that it shall hold the State harmless from any liability which may be imposed upon the state as a result of any failure of the Contractor to be in compliance with this Act. As applicable, the Contractor shall comply with section 504 of the Federal Rehabilitation Act of 1973, as amended from time to time, 29 U.S.C. § 794 (Supp. 1993), regarding access to programs and facilities by people with disabilities.

2. **Utilization of Minority Business Enterprises.** The Contractor shall perform under this contract in accordance with 45 C.F.R. Part 74; and, as applicable, C.G.S. §§ 4a-60 to 4a-60a and 4a-60g to carry out this policy in the award of any subcontracts.

3. **Priority Hiring.** Subject to the Contractor's exclusive right to determine the qualifications for all employment positions, the Contractor shall give priority to hiring welfare recipients who are subject to time-limited welfare and must find employment. The Contractor and the Agency shall work cooperatively to determine the number and types of positions to which this Section shall apply.

4. **Non-discrimination.**

(a) For purposes of this Section, the following terms are defined as follows:

(1) "Commission" means the Commission on Human Rights and Opportunities;

(2) "Contract" and "contract" include any extension or modification of the Contract or contract;

(3) "Contractor" and "contractor" include any successors or assigns of the Contractor or contractor;

(4) "Gender identity or expression" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose.

(5) "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;

(6) "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;

(7) "marital status" means being single, married as recognized by the State of Connecticut, widowed, separated or divorced;

(8) "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic

and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders;

(9) "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and

(10) "public works contract" means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of this Section, the terms "Contract" and "contract" do not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

(b)

(1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved;

(2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission;

(3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and

(5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

(c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the

Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.

(g)

(1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation;
(2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;
(3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and
(4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.

(h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may

request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

5. **Freedom of Information.**
For purposes of this contract, Contractor is performing a governmental function as defined in state statute.

(a) Contractor acknowledges that the Agency must comply with the Freedom of Information Act, C.G.S. §§ 1-200 et seq. ("FOIA") which requires the disclosure of documents in the possession of the State upon request of any citizen, unless the content of the document falls within certain categories of exemption, as defined by C.G.S. § 1-210(b).

(b) Governmental Function. In accordance with C.G.S. § 1-218, because the amount of this Contract exceeds two million five hundred thousand dollars ($2,500,000), and the Contractor is a "person" performing a "governmental function," as those terms are defined in C.G.S. §§ 1-200(4) and (11), the Agency is entitled to receive a copy of the Records and files related to the Contractor's performance of the governmental function, which may be disclosed by the Agency pursuant to the FOIA.

6. **Whistleblowing.** This Contract is subject to C.G.S. § 4-61dd if the amount of this Contract is a "large state contract" as that term is defined in C.G.S. § 4-61dd(h). In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the Contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars ($5,000) for each offense, up to a maximum of twenty per cent (20%) of the value of this Contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state Contractor, as defined in the statute, shall post a notice of the relevant sections of the statute relating to large state Contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

7. **Executive Orders.** This Contract is subject to Executive Order No. 3 of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices; Executive Order No. 17 of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings; Executive Order No. 16 of Governor John G. Rowland, promulgated August 4, 1999, concerning violence in the workplace. This Contract may also be subject to Executive Order 7C of

Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms and Executive Order 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions. All of these Executive orders are incorporated into and made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, the Agency shall provide a copy of these Orders to the Contractor.

8. **Campaign Contribution Restrictions**. For all State contracts as defined in C.G.S. § 9-612(g) the authorized signatory to this Contract expressly acknowledges receipt of the State Elections Enforcement Commission's ("SEEC") notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See SEEC Form 11 reproduced below: www.ct.gov/seec

Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations

This notice is provided under the authority of Connecticut General Statutes §9-612(g)(2), as amended by P.A. 10-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined on the reverse side of this page).

CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract* or *state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

On and after January 1, 2011, no state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall knowingly *solicit* contributions from the state contractor's or prospective state contractor's employees or from a *subcontractor* or *principals of the subcontractor* on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

DUTY TO INFORM

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

PENALTIES FOR VIOLATIONS

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties—Up to $2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of up to $2,000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or not more than $5,000 in fines, or both.

CONTRACT CONSEQUENCES

In the case of a state contractor, contributions made or solicited in violation of the above prohibitions may result in the contract being voided.

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State shall not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to "Lobbyist Contractor Limitations."

DEFINITIONS

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extentive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes, (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office, or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

"Subcontractor" means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty first of the year in which the subcontract terminates. "Subcontractor" does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a subcontractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a subcontractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the subcontractor.

[X] Original Contract

[ ] Amendment #____

(*For Internal Use Only*)

SIGNATURES AND APPROVALS

The Contractor is a Business Associate under the Health Insurance Portability and Accountability Act of 1996 as amended, and agrees to be bound by the provisions found in Exhibit F.

Documentation necessary to demonstrate the authorization to sign must be attached.

This document may be executed in counterpart with both signature pages serving as originals.

CONTRACTOR – LogistiCare Solutions, LLC

11 / 12 / 2012

ALBERT CORTINA, CHIEF ADMINISTRATIVE OFRFICER Date

DEPARTMENT OF SOCIAL SERVICES

11 / 13 / 2012

RODERICK L. BREMBY, *Commissioner* Date

OFFICE OF THE ATTORNEY GENERAL

Joseph Rubin 11 / 20 / 12

ASST. / ASSOC. ATTORNEY GENERAL *(Approved as to form & legal sufficiency)* Date