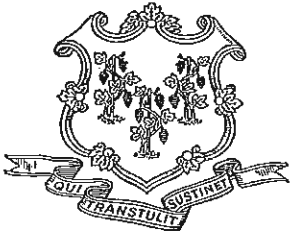


STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES



CONTRACT AMENDMENT

Contractor: MERCER HEALTH & BENEFITS, LLC
Contractor Address: 3131 E. CAMELBACK ROAD, SUITE 300, PHOENIX, CT 85016
Contract Number: 999MHB-NP-02 / 12DSS1202CK
Amendment Number: A1
Amount as Amended: \$5,601,120
Contract Term as Amended: 07/01/12 - 06/30/17

The contract between **Mercer Health & Benefits, LLC** (the Contractor) and the Department of Social Services (the Department), which was last executed by the parties and approved by the Office of the Attorney General on 8/23/12, is hereby amended as follows:

1. The total maximum amount payable under this contract is increased by \$4,500,000 from \$1,101,120 to \$5,601,120.

This document constitutes an amendment to the above numbered contract. All provisions of that contract, except those explicitly changed above by this amendment, shall remain in full force and effect.

SIGNATURES AND APPROVALS

999MHB-NP-02 / 12DSS1202CK A1

The Contractor IS a Business Associate under the Health Insurance Portability and Accountability Act of 1996 as amended.

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

CONTRACTOR - MERCER HEALTH & BENEFITS, LLC



Ryan Johnson, *Principal*

6/25/13
Date

DEPARTMENT OF SOCIAL SERVICES



Roderick L. Bremby, *Commissioner*

6/27/2013
Date

OFFICE OF THE ATTORNEY GENERAL



~~Assoc.~~ / Assoc. Attorney General (Approved as to form & legal sufficiency)

7/10/13
Date



PSA

Original Contract Number:	999MHB-NP-02/12DSS1202CK		
Amendment Number:			
Maximum Contract Value:	\$1,101,120.00 (SFY 2013)		
Contractor Contact Person:	Ryan Johnson	Tel:	(602) 522-6517
DSS Contact:	Contract: Andrea Alexander	Tel:	(860) 424-3780
Program:	Mark Schaefer	Tel:	(860) 424-5067

**STATE OF CONNECTICUT
PERSONAL SERVICE AGREEMENT
("PSA", "Contract" and/or "contract")
Revised February 2010**

Vendor ID
00000 86727
PO 00000-43988

The State of Connecticut DEPARTMENT OF SOCIAL SERVICES
Street: 25 SIGOURNEY STREET
City: HARTFORD State: CT Zip: 06106
Tel#: (800) 842-1508 ("Agency" and/or "Department"), hereby enters into a Contract with:

Contractor's Name: MERCER HEALTH & BENEFITS, LLC
Street: 3131 E. CAMELBACK ROAD, SUITE 300
City: PHOENIX State: AZ Zip: 85016
Tel#: (602) 522-6500

("Contractor"), for the provision of services outlined in Part I and for the compliance with Part II. The Agency and the Contractor shall collectively be referred to as "Parties". The Contractor shall comply with the terms and conditions set forth in this Contract as follows:

Contract Term	This Contract is in effect from 07/01/12 through 06/30/17.
Statutory Authority	The Agency is authorized to enter into this Contract pursuant to § 4-8, 4-98 as applicable, and 17b-3 of the Connecticut General Statutes ("C.G.S.").
Set-Aside Status	Contractor <input type="checkbox"/> IS or <input checked="" type="checkbox"/> IS NOT a set aside Contractor pursuant to C.G.S. § 4a-60g.
Effective Date	This Contract shall become effective only as of the date of signature by the Agency's authorized official(s) and, where applicable, the date of approval by the Office of the Attorney General ("OAG"). Upon such execution, this Contract shall be deemed effective for the entire term specified above.
Contract Amendment	This Contract may be amended only by means of a written instrument signed by the Agency, the Contractor, and, if required, the OAG.

All notices, demands, requests, consents, approvals or other communications required or permitted to be given or which are given with respect to this Contract (collectively called "Notices") shall be deemed to have been effected at such time as the Notice is hand-delivered; placed in the U.S. mail, first class and postage prepaid, return receipt requested; or placed with a recognized, overnight express delivery service that provides for a return receipt. Said notices shall become effective on the date of receipt as specified above or the date specified in the notice, whichever comes later. All such Notices shall be in writing and shall be addressed as follows:

If to the Agency:	STATE OF CONNECTICUT DEPARTMENT OF SOCIAL SERVICES 25 SIGOURNEY STREET HARTFORD, CT 06106 Attention: Andrea Alexander	If to the Contractor:	Mercer Health & Benefits, LLC 3131 E. Camelback Road, Suite 300 Phoenix, AZ 85016 Attention: Ryan Johnson
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A party may modify the addressee or address for Notices by providing 10 days' prior written Notice to the other party. No formal amendment is required.

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Part II. SCOPE OF SERVICES

OVERVIEW- As the Department's Contractor for Actuarial and Consulting Services, Mercer Health & Benefits LLC ("the Contractor") shall throughout the term of this contract provide the State of Connecticut Department of Social Services ("the Department") with actuarial analyses and consulting services for the Department's current and future healthcare programs.

A. CONTRACTOR RESPONSIBILITIES

1. Actuarial services - As directed by the Department, the Contractor shall provide actuarial services for the Department related to the Department's existing healthcare programs, proposed changes to existing healthcare programs and proposed future healthcare programs. The specified scope and project deliverables for the actuarial services to be performed shall be set forth in a DSS Consulting Project Request Form (CPR), executed and agreed to by the parties at the time of project engagement. The project scope and deliverables may include the following for specified programs and/or Department initiatives:
 - a. Strategic analysis of Department programs and proposed changes to Department programs;
 - b. Financial analyses and program monitoring;
 - c. Short-term and long-term rate development, evaluation and strategy;
 - d. Technical and consulting review of actuarial and financial models, rate certifications, rate negotiations and other analyses used to claim federal funding or support the Department's program initiatives;
 - e. Establishment of priorities and development of strategic goals and objectives;
 - f. Development or analysis of financial projections or program budgets for state budgeting and federal waiver applications;
 - g. Analysis of existing and proposed state programs including the effect of proposed changes upon clients, providers, rates and overall expenditures; and
 - h. Analysis of program changes or other cost estimates to support the Department's program initiatives.

2. Consulting services - As directed by the Department, provide consulting services for the Department related to the Department's existing healthcare programs, proposed changes to existing healthcare programs and proposed future healthcare programs. The specified scope and project deliverables for the consulting services to be performed shall be set forth in a DSS Consulting Project Request Form (CPR), executed and agreed to by the parties at the time of project engagement. The project scope and deliverables may include the following consulting services for specified programs and/or Department initiatives:

- a. The development of a Section 1115 Demonstration Waiver for the Medicaid for Low Income Adults (LIA) program that will incorporate savings from Connecticut's planned initiatives and further cost saving measures, such as the implementation of an asset test for eligibility purposes;
- b. The development of the State's Medicaid and Medicare dually eligible demonstration application to include modeling potential savings that can be shared with Medicare or participating providers;
- c. Implementation activities and support related to federally-approved initiatives including but not limited to the 1115 Demonstration Waiver and the State's Medicaid and Medicare dually eligible demonstration;
- d. Strategic approaches to healthcare purchasing designed to promote improvements in service delivery, organization and accountability among local health care systems in an effort to improve patient outcomes and achieve efficiencies;
- e. Evaluation and repurposing the State's current long term care system in support of Money Follows the Person ("MFP") initiatives;
- f. Review of the administrative and operational goals and objectives of the MFP program;
- g. Representation of the Department in presentations, discussions or inquiries from providers, community members, legislators and other stakeholders related to Department programs, proposed changes to Department programs and future healthcare initiatives;
- h. Waiver strategy and development, including consolidation of current waivers, and development and submission of additional waiver applications;
- i. Policy considerations and guidance to financial projections and other actuarial and policy support required by the Center for Medicaid and Medicare Services ("CMS") for waiver submissions and approvals;
- j. Policy and fiscal support for State Plan Amendment drafting and implementation;
- k. Data summarizations and development of algorithms, development of cost neutrality and case load estimates for waiver applications;
- l. Consultation and negotiations with CMS on projects and initiatives requiring CMS input and approval;
- m. Analysis, guidance, and staff support in the pursuit of grant opportunities;
- n. Review and perform program quality, assessment and monitoring services related to specified Department healthcare contractors including but not limited to the Department's Medical ASO; Behavioral Health ASO; Dental ASO and NEMT Broker contract;
- o. Development of an organized contract monitoring strategy and training Department staff to implement ongoing contract monitoring strategies; and

- p. Perform readiness reviews and post-implementation performance reviews.
3. Additional consulting services - As requested by the Department, provide a projected scope and cost estimate for additional consulting services for the Department not specifically contemplated in Section 2 above.

B. DEPARTMENT RESPONSIBILITIES

1. Contract Administration and Management

- a. This contract shall be administered through the Office of the Deputy Commissioner – Administration.
- b. **The Deputy Commissioner- Administration shall have responsibility for final approval for each CPR. No work shall commence by the Contractor until approval has been received by the Deputy Commissioner-Administration.**
- c. The Deputy Commissioner- Administration shall appoint for the Department, for each Project agreed to through the Submission and Approval of the CPR, a staff person responsible for the day-to-day direction of the project. This person shall be the Contractor's primary liaison in working with other Department staff.
 - i. For each Project the designated Department Project Lead shall receive and review all reports and deliverables, oversee scheduling of meetings with Department staff, and maintain first-line administrative responsibility for the Project. In no instance shall the Contractor refer any matter to any other Department official unless initial contact, both verbal and in writing, regarding the matter has been presented to the Project Lead.
 - ii. The Contractor shall designate a Project Lead for each project who shall have day-to-day responsibility for supervising the performance of the Contractor's obligations for the specified Project. The Contractor shall not change the designation of the Project Lead without written notice to and acknowledgment by the Department's Project Lead and the Deputy Commissioner - Administration.

C. BUDGET AND PAYMENT TERMS

- 1. Work performed under this contract will be billed by the Contractor using the hourly rates below. The hourly rates for each of the key positions are inclusive of the actuarial and consulting services provided, travel, appearances at meetings, administration, technical fees and overhead (all-inclusive). Included in the Contractor rate is an estimated cost of four to six trips per year for two to three people. The Contractor shall utilize resources for each project based on project need, and shall utilize the least expensive personnel possible. Unless otherwise specified and agreed upon by the Contractor and the Department in writing, the Contractor will bill on a time and expense basis. The Contractor will only bill the Department for time actually spent working on the project. The Contractor will not bill for travel time as this cost is already built in to the all-inclusive rate.

2. The Contractor will hold rates flat for the first two years of this contract. As of July 1, 2014, the Contractor may request a \$5 per hour rate increase for the remaining years of the contract, noting however that the Department may not be able to financially support a rate increase. The following table outlines the hourly rates by labor category that the Contractor will use to bill the Department. The Contractor shall bill the Department based on a utilization of the lowest level staff necessary, as detailed in the approved CPR.

Contractor Hourly Rates

Key Position	All-Inclusive Hourly Rate
Partner/Senior Principal/FSA	\$390
Principal/ASA/CPA	\$350
Senior Associate/ Junior Actuary	\$300
Associate/Consultant	\$250
Senior Analyst	\$200
Junior Analyst	\$150
Intern	\$ 75
Consulting Assistant	\$ 50

3. Projects where hourly rates are applied will be billed to the Department by the Contractor at the close of each month. In some cases, projects may be billed according to the cost associated with certain deliverables being provided to the Department ("deliverable-based") rather than through monthly billing cycles based on hourly rates. For deliverable-based projects, the schedule of deliverables and payments will be determined and agreed upon by the Department and Contractor in writing, in advance of work commencing, as detailed in the CPR.
4. Any use of subcontractors by the Contractor must be approved in writing by the Department. The subcontractor's hourly rates will be provided to the Department and will not exceed the hourly rates for a similar key position as the Contractor's rates outlined above.
5. The estimated budget for each CPR shall be submitted and approved by the Department in advance of work commencing. These estimates may be adjusted as agreed upon in writing by the Contractor and the Department in advance of the Contractor incurring additional costs not previously approved. Tasks and deliverables may be adjusted or added to the CPR document as deemed appropriate by the Department and Contractor. Any material changes to the Scope of CPR will be requested by the Contractor using an amendment to the CPR form.

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PART II. TERMS AND CONDITIONS

WHEREAS, the Department of Social Services ("Department") and Contractor desire to enter into a relationship pursuant to which Contractor will provide certain health and welfare consulting services to the Department as agreed by the each project's CPR; and

WHEREAS, Contractor and the Department wish to enter into this Contract (as defined below) in order to set forth the terms of such relationship;

NOW, THEREFORE, the Department and Contractor, intending to be legally bound, in consideration of the mutual promises herein contained and other good and valuable consideration, agree as follows:

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 the other party, in each case, in all material respects.
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, unmaturred, contingent, known or unknown, at law or in equity, in any forum.
5. **"Consulting Project Request (CPR) Form"** shall mean the document executed and agreed to by the parties at the time of each project engagement, which shall specify the scope, budget and project deliverables for the actuarial and other consulting Services to be performed by the Contractor. For avoidance of doubt, notwithstanding anything to the contrary herein, Services performed hereunder shall not include any activities relating to core employer benefit plans and voluntary benefit plans provided by the Contractor. The parties understand and agree that such excluded services shall be provided under a separate agreement that is specific to such services.
6. **"Contract"** shall mean these terms and conditions, as of its effective date, between the Contractor and the State for Services together with the applicable CPR.
7. **"Contractor Parties"** shall mean a Contractor's directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees providing Services under this Contract or any other person or entity with whom the Contractor is in privity of oral or written contract (e.g. subcontractor) and such person or entity performs Services under the Contract.
8. **"Data"** shall mean all results, technical information and materials developed and/or obtained specifically and exclusively by Contractor for the State in connection with 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. **“Key Contractor Personnel”** shall mean the staff of the Contractor dedicated to a Scope of Work.
13. **“Personal Information”** shall mean any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual including, but not limited to, such individual's name, date of birth, mother's maiden name, motor vehicle operator's license number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data such as fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Personal Information shall also include any information regarding clients that the Department classifies as “confidential” or “restricted.” Personal Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records which are lawfully made available to the general public.
14. **“Personal Information Breach”** shall mean an instance where an unauthorized person or entity accesses Personal Information in any manner, including but not limited to the following occurrences: (1) any Personal Information that is not encrypted or protected is misplaced, lost, stolen or in any way compromised; (2) one or more unauthorized third parties have had access to or taken control or possession of any Personal Information that is not encrypted or protected without prior written authorization from the State; (3) the unauthorized acquisition of encrypted or protected Personal Information together with the confidential process or key that is capable of compromising the integrity of the Personal Information; or (4) if there is a substantial risk of identity theft or fraud to the client, the Contractor, the Department or State.
15. **“Records”** shall mean all working papers and such other information and materials as may have been accumulated and/or produced by the Contractor directly relating to its performance of the Services, 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.
16. **“Scope of Work”** shall mean any transactional document (which may be entitled “Part I”, “Scope of Work”, “Statement of Work”, “SOW” or the like, which in all cases shall be deemed a “Scope of Work” for all purposes under this Contract) issued pursuant this Contract, signed by the parties hereto and providing for the performance of the Services, together with any written acceptance by a party of a proposal it receives from the other party with respect to additional Services to be provided under such Scope of Work. Each Scope of Work, together with these terms and conditions, shall be a separate agreement between the parties.

17. **"Services"** shall mean the performance of Services as stated in a Scope of Work.
18. **"State"** shall mean the State of Connecticut, including any agency, office, department, board, council, commission, institution or other executive branch agency of State Government.
19. **"Termination"** shall mean an end to the Contract affected pursuant to a right which the Contract creates, other than for a Breach.

B. Consulting Project Request (CPR) Form

Each CPR must specify at a minimum: (1) the parties respective responsibilities with respect to any Services; (2) the information and data Contractor will need in order to perform the Services; (3) any time constraints on the performance of the Services; and (4) the compensation Contractor will receive for performing the Services. Each CPR shall be appended to this agreement between the parties. In the event of a conflict between the terms and conditions of a CPR and those set forth in this Contract, this Contract controls unless the CPR expressly references the specific section number of this Contract, which will be modified for purposes of that CPR. Any exceptions expressly agreed upon in writing by the parties pursuant to a particular CPR will apply only for purposes of that CPR, and will not be deemed to in any way amend, modify, cancel, or waive the provisions of this Contract or any other CPR.

C. Client-Related Safeguards.

1. **Safeguarding Client Information.** The Agency and the Contractor shall safeguard the use, publication and disclosure of information on all applicants for and all Clients who receive Services under this Contract with all applicable federal and state law concerning confidentiality and as may be further provided under the Contract.
2. **Background Checks.** The State may require that the Contractor and Contractor Parties undergo criminal background checks as provided for in the State of Connecticut Department of Public Safety Administration and Operations Manual or such other State document as governs procedures for background checks. The Contractor and Contractor Parties shall cooperate fully as necessary or reasonably requested with the State and its agents in connection with such background checks.

D. Contractor Obligations.

1. **Cost Standards.** The Contractor and funding state Agency shall comply with the Cost Standards issued by OPM, as may be amended from time to time. The Cost Standards are published by OPM on the Web at http://ct.gov/opm/fin/cost_standards.
2. **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. The Agency shall exclusively own all Data developed pursuant to this Contract. 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. Notwithstanding anything to the contrary in this Contract, Contractor retains all patent, copyright and other intellectual property rights in the methodologies, methods of analysis, ideas, concepts, know-how, models, tools, techniques, skills, knowledge and experience owned or possessed by Contractor before the commencement of, or acquired by Contractor during or after, the performance of the Services, including without limitation, all systems, software, specifications, documentation and other materials created, other than Data owned or licensed and used by Contractor or its affiliates or subcontractors in the course of providing the Services (collectively, "Intellectual Property"), and Contractor shall not be restricted in any way with respect thereto. To the extent that any Intellectual Property are embodied in any Data, Contractor hereby grants to the Agency an irrevocable, non-exclusive, non-transferable, royalty free license to use Intellectual Property for its internal business purposes, but solely in connection with and to the extent necessary for use of the Data as contemplated by this Contract. Unless Contractor provides its prior written consent, the Agency shall not use, or disclose to any third party, Contractor's advice or Data other than as mutually contemplated by the parties when Contractor first was retained to provide such advice or Data or as required by law.

3. **Organizational Information, Conflict of Interest.** 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 Annual Report filed with the Connecticut Secretary of the State's Office; provided, however, that Contractor will be deemed to be in compliance with this provision if its parent company's (Marsh & McLennan, Inc.) Annual Report is available from the public record, such as publicly available filings made with the Securities and Exchange Commission or such other information that the Agency reasonably requests 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.

4. **Federal Funds.**

- (a) The Contractor shall comply with applicable federal law requirements relating to the receipt or use of federal funds. The Agency shall specify all such requirements in Scope of Work of this Contract.
- (b) 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) The Agency shall provide Contractor with a copy of said policy. Contractor shall comply with all applicable state and federal laws, regulations and rules relating to section 6032 of the Deficit Reduction Act. Upon receipt from the Agency, Contractor shall provide said policy to its subcontractors, if any, providing Services under this Contract. 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 Services under the Contract with the Agency, knowingly (to the knowledge of the key Contractor personnel providing the Services) 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 promptly notify the Agency should its key personnel providing the Services become aware that Contractor is 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 its employees involved in providing the Services are sanctioned, suspended, excluded from or otherwise become ineligible to participate in federal health care programs.

5. **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 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 reasonably acceptable to Contractor. 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 reasonably cooperate with the State and its agents in connection with an audit or inspection in accordance with this Contract. Following any audit or inspection, the State may conduct and the Contractor shall cooperate with an exit conference.
- (c) Any inspection or audit shall be made during normal business hours and shall be subject to the execution by a third party (other than the State) of a confidentiality agreement reasonably satisfactory to Contractor. Furthermore, Contractor reserves the right to prohibit access to its computer systems so long as Contractor makes available the relevant books and records in an alternative format such as hardcopies and Contractor will authenticate these documents.

6. **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 the Scope of Work of this Contract if the related party transaction was made in furtherance of the scope of services to which this contract relates or if the costs are incurred, expended or reimbursed under 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.
7. **Suspension or Debarment.** In addition to the representations and requirements set forth in Section D.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; and
 - (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 during the terms of this Contract shall be immediately reported to the Agency.
8. **Liaison.** Each Party shall designate a liaison to facilitate a cooperative working relationship between the Contractor and the Agency in the performance and administration of this Contract.
9. **Subcontracts.** Each subcontractor to be utilized by Contractor under this Contract, if any, shall be identified and the Services to be rendered and costs of such subcontractor shall be detailed in the

Scope of Work of this Contract. Absent compliance with this requirement, no subcontractor may be used under this Contract unless expressly approved by the Agency in writing. No subcontractor 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 subcontractors 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.

- 10. 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. Contractor acknowledges that Contractor Parties shall not be employees of the state of Connecticut or of the Agency or be entitled to any benefits to which employees of the state of Connecticut or of the Agency are entitled. For example, but without limitation, Contractor Parties are not eligible for any of the state of Connecticut or of the Agency pension, bonus, profit sharing, retirement plan, deferred compensation plan, vacation, sick pay, leave time or insurance coverage. In keeping with Contractor Parties' status as an independent contractor, neither the state of Connecticut nor of the Agency will (a) withhold any portion of the professional fees paid hereunder for any taxing authority; (b) deduct social security tax (FICA) from amounts paid to Contractor; or (c) pay federal or state unemployment taxes with regard to Contractor Parties.

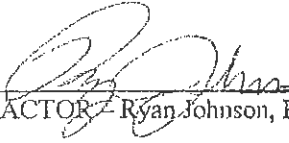
11. Indemnification.

- (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) Losses (as defined in Section 28 below) to the extent they arise directly from or indirectly, in connection with the Contract, including the negligent acts of commission or omission or willful misconduct (collectively the "Acts") of the Contractor or Contractor Parties in connection with Contractor's performance of the Services; and
 - (2) The Contractor shall indemnify, defend and hold harmless against Claims to the extent they arise directly from breach of its confidentiality obligations under this Contract with respect to any part of or all of a confidential bid or any confidential records, and infringement or misappropriation by Contractor of intellectual property rights, other propriety rights of any person or entity in the performance of the Contract.
- (b) The Contractor shall reimburse the State for any and all damages to the real or tangible physical property of the State caused by the Acts of the Contractor or any Contractor Parties in connection with Contractor's performance of the Services. The State shall give the Contractor reasonable notice of any such Claims.
- (c) The Contractor's duties under this Section shall remain in effect and binding in accordance with the terms and conditions of the Contract, provided that Contractor shall have no liability for any Losses to the extent they are attributable to the acts or omissions of a person or entity unaffiliated with the Contractor or Contractor Parties.
- (d) The Contractor shall carry and maintain at all times during the term of the Contract, the insurance coverages set forth in this Contract. The Contractor shall include the State as an additional insured on the Commercial General Liability policy with respect to the State's vicarious liability arising from Contractor's provision of the Services and shall provide a certificate of insurance evidencing the policy to the Agency upon request.

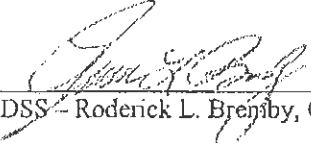
- (e) The rights provided in this section for the benefit of the State shall encompass the recovery of attorneys' and other professionals' fees expended in pursuing a Claim against a third party.
 - (f) This section shall survive the Termination, Cancellation or Expiration of the Contract, and shall not be limited by reason of any insurance coverage.
12. **Insurance.** The Contractor shall obtain and maintain the following insurance coverage at its own cost and expense for the duration of the Contract:
- (a) **Commercial General Liability.** \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury and property damage. Coverage shall include, Premises and Operations, Products and Completed Operations, Contractual Liability, and Broad Form Property Damage coverage. If a general aggregate is used, the general aggregate limit shall apply separately to the services to be performed under this Contract or the general aggregate limit shall be twice the occurrence limit;
 - (b) **Automobile Liability.** \$1,000,000 combined single limit per accident for bodily injury. Coverage extends to owned, hired and non-owned automobiles. If the vendor/contractor does not own an automobile, but one is used in the execution of this Contract, then only hired and non-owned coverage is required. If a vehicle is not used in the execution of this Contract then automobile coverage is not required.
 - (c) **Professional Liability.** \$1,000,000 limit of liability per claim and aggregate; and/or
 - (d) **Workers' Compensation and Employers Liability.** Statutory coverage in compliance with the Compensation laws of the State of Connecticut. Coverage shall include Employer's Liability with limits of \$100,000 each accident, \$500,000 Disease – Policy limit, \$100,000 each employee.
13. **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

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.

18. **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. Subject to the audit restriction in Section D5 (Audit Requirements), 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.



 CONTRACTOR - Ryan Johnson, Principal



 DSS - Roderick L. Brenby, Commissioner

19. **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;~~
- (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~~

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.

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

- (a) applicable local, state and federal laws and regulations as well as Agency policies and procedures applicable to Contractor and agreed to by the parties 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 the Contractor will have the opportunity to react to the requirements put upon them; 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.

15. Representations and Warranties. Contractor shall:

- (a) perform its obligations under the Contract in all material respects; and
- (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 the Scope of Work of this Contract.

Contractor shall not be responsible for a breach of any of the representations and warranties in this Agreement if the breach is attributable to the acts or omissions of the Agency or a third party other than Contractor's subcontractors including, without limitation, materials, specifications or products provided by the Agency, modifications made by the Agency to any of the Data, Services or other materials delivered by Contractor or if the Agency uses the Data, Services or such other materials in a manner not contemplated by this Agreement. Except as specifically stated in this Agreement, Contractor does not make any representations or warranties, express or implied, regarding any matter, including the merchantability, suitability, originality, title, fitness for a particular purpose or results to be derived from the use of the Services provided under this Agreement.

16. Reports. The Contractor shall provide the Agency with such statistical, financial and programmatic information necessary to monitor and evaluate compliance with the Contract at a frequency and in a format mutually agreed by the parties. 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 at a frequency and in a format mutually agreed by the parties.

17. 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

~~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, which approval the State shall not unreasonably withhold, and shall cover a length of time commensurate with the circumstances of the Personal Information Breach provided that such time shall not exceed one (1) year. The Contractor's 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. Notwithstanding anything else to the contrary within this Agreement, the requirement for Contractor to notify individuals, or to provide other customary services such as credit or fraud monitoring, applies only to those Personal Information Breaches involving the loss of data or information which was not in an encrypted state at the time of the event, and the credit monitoring services shall be provided by a vendor chosen by the Contractor and approved by the Department.~~

- ~~(d) — The Contractor shall incorporate the requirements or such requirements commensurate with those 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.~~
- ~~(f) — The Department agrees that it shall, working in cooperation with Contractor:~~
- ~~(1) Identify what elements of Personal Information are required for Contractor to fulfill the function contracted, and commits to transmitting or supplying only that Personal Information;~~
 - ~~(2) Establish secure methods and technology for the transmission and sharing of Personal Information with Contractor appropriate to the sensitivity of the Personal Information; and~~
 - ~~(3) Receive back physical or electronic Personal Information no longer required by Contractor to provide services to the State of Connecticut or required pursuant to Contractor's Retention Policies, and to provide direction and mechanisms for the secure return of such Personal Information.~~

~~The State represents and warrants that appropriate consents and/or notice have been given to data subjects regarding the processing of Personal Information under laws or regulations applicable in the jurisdiction in which the data subjects reside, or to which the State may be subject. —~~

19. 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.
- 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 three business days, 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, which approval the State shall not unreasonably withhold, and shall cover a length of time commensurate with the circumstances of the Personal Information Breach, provided that such time shall not exceed one (1) year. The Contractor's 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. Notwithstanding anything else to the contrary within this Agreement, the requirement for Contractor to notify individuals, or to provide other customary services such as credit or fraud monitoring, applies only to those Personal Information Breaches involving the loss of data or information which was not in an encrypted state at the time of the event, and the credit monitoring services shall be provided by a vendor chosen by the Contractor and approved by the Department.
- d. The Contractor shall incorporate the requirements or such requirements commensurate with those 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.

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

21. Litigation.

- a. The Contractor shall promptly require that all Contractor Parties, as appropriate, disclose any Claims involving the Contractor that might reasonably be expected to materially

adversely affect Contractor's ability to perform its obligations under the Contract, no later than thirty (30) days after becoming aware or after they should have become aware of any such Claims that will effect this contract. 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 as it relates to the contracts held by 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.
22. **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.
23. **No Third Party Beneficiaries.** Neither this Contract nor the provision of the Services is intended to confer any right or benefit on any third party. The provision of Services under this Contract cannot reasonably be relied upon by any third party.
24. **Severability.** It is the intent of the parties that the provisions of this Contract shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth in this Contract or any word, phrase, clause or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified, deleted or interpreted in such a manner so as to afford the party for whose benefit it was intended the fullest benefit commensurate with making this Contract as modified, enforceable and the balance of this Contract shall not be affected thereby, the balance being construed as severable and independent.
25. **Legal Counsel.** Contractor is not engaged in the practice of law, and the Services provided hereunder are not intended as a substitute for legal advice. To the extent Contractor provides guidance relating to legislative and regulatory developments to the Agency, such guidance is provided for the Agency's review with its legal counsel and is not intended to supersede the advice of the Agency's legal counsel. Accordingly, Contractor recommends that the Agency secure the advice of competent legal counsel with respect to any legal matters related to the Services.
26. **Scope of Work.** Contractor will provide only the services specified in the Contract. No other services may be implied and Contractor shall not be responsible for providing any other services unless mutually agreed in writing by the parties. The Agency acknowledges and agrees that, except to the extent Contractor has expressly undertaken a specific compliance responsibility under this Contract, the Agency is responsible for the continued compliance of the Agency with any and all applicable law.

27. **Additional Terms.**

(a) **Confidential Information; Data.**

(1) Each party to this Contract (the "Disclosing Party") is likely to disclose information to the other party from time to time in the course of the provision of the Services, which is marked or designated as confidential or proprietary at or prior to disclosure or which would appear to a reasonably prudent person to be confidential and/or proprietary in nature ("Confidential Information"). For purposes of clarification, "Confidential Information" shall include the Intellectual Property (as hereinafter defined). The party receiving the Confidential Information (the "Receiving Party") will not divulge or communicate it to any person other than in connection with the provision of the Services or as otherwise provided for in this Contract. This restriction does not apply to information which (i) the Receiving Party must by law or legal process disclose, (ii) is either already in the public domain or enters the public domain through no fault of the Receiving Party, (iii) is available to the Receiving Party from a third party who, to the Receiving Party's knowledge, is not under any non-disclosure obligation to the Disclosing Party, or (iv) is independently developed by the Receiving Party without reference to any Confidential Information of the Disclosing Party.

(2) Notwithstanding Section 27(1)(a), the Agency agrees that Contractor will be entitled to disclose information, including Confidential Information, relating to the Services or the Agency to regulators having jurisdiction over Contractor's business. The Agency also agrees that, notwithstanding any other provision in this Contract, Contractor may include the identities of those persons who are identified by the Agency as contact persons for the Agency and information about the terms of this Contract, the Services and its compensation in Contractor's internal client management, financial and conflict checking databases.

(b) **Provision of Information and Assistance.** The Agency will provide all necessary and reasonably requested information, direction and cooperation to enable Contractor to provide the Services, and any written direction shall be effective if contained expressly in the Contract or if received in writing from a person known to Contractor or reasonably believed by Contractor to be authorized to act on the Agency's behalf. The Agency agrees that Contractor shall use all information and data supplied by the Agency or on the Agency's behalf without independently verifying the accuracy, completeness or timeliness of it. Contractor will not be responsible for any delays or liability arising from missing, delayed, incomplete, inaccurate or outdated information and data, or if the Agency does not provide adequate access to its employees, agents or other representatives necessary for Contractor to perform the Services.

28. **Limitation of Liability.** Notwithstanding anything to the contrary contained in this Agreement, the aggregate liability of Contractor Parties, including, for the purpose of this section, its affiliates and any officer, director or employee of its affiliates, to the State, the Agency, and the affiliates, officers, directors or employees of the State, the Agency or those of their affiliates and any third party for any and all Losses arising out of or relating to the provision of any services at any time by any of the Contractor Parties and their affiliates for this Contract shall not exceed the lesser of (i) three and a half times ($3\frac{1}{2} \times$) the total maximum contract value set forth in the applicable Scope of Work or the most recent Scope of Work, if there is more than one applicable Scope of Work, or (ii) ten million (\$10,000,000) dollars. Contractor Parties shall have no liability for the acts or omissions of any third party (other than its subcontractors, if any). For purposes of this Agreement, "Loss" means damages, claims, liabilities, losses, awards, judgments, penalties, third party claims, interest, costs and expenses, including reasonable attorneys' fees, whether arising under any legal theory including, but not limited to claims sounding in tort (such as for negligence, misrepresentation or

otherwise), contract (whether express or implied), by statute, or otherwise, claims seeking any kind of damages and claims seeking to apply any standard of liability such as negligence, statutory violation or otherwise.

Section E. 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 parties shall work in good faith to amend this Contract to reduce the contracted amount of compensation and to proportionately reduce the Services 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 and the Services, 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 and Services 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 endeavor to notify the Agency in writing upon its key personnel providing the Services becoming aware of any of the following events:
 - (1) at least thirty (30) 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 thirty (30) 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.

- (c) Assignment. Neither party shall assign any of its rights or obligations under the Contract, voluntarily or otherwise, in any manner without the prior written consent of the other party.
- (1) The Contractor shall comply with requests for documentation reasonably 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. 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 is in breach, 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, if any, to the Agency no later than thirty (30) calendar days after the Contractor receives a demand from the Agency.
 - (c) In addition to the rights and remedies granted to a party by this Contract, each party shall have all other rights and remedies granted to it by law in the event of Breach of or default by the other party under the terms of this Contract.
 - (d) Upon any Termination, Expiration or Cancellation of this Contract, the Agency shall pay Contractor for all Services rendered and reimbursable expenses incurred in accordance with this Contract up to and including the effective date of such Termination, Expiration or Cancellation.
 - (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 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 or cancelled. 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, with the exception of internal documents, as defined in Section A.12, unless otherwise instructed by the Agency in writing, and take all commercially reasonable actions that are necessary or appropriate, or that the Agency may reasonably direct, for the protection and preservation of any and all materials provided to the Contractor by the Agency in Contractor's possession and control. The Contractor shall destroy or deliver completed Data and the Agency's Confidential Information provided to Contractor under this Agreement in the Contractor's possession and control 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 Data that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to ASCII or .TXT. Notwithstanding anything to the contrary in the foregoing, Contractor, subject to its confidentiality obligations under this Contract, may (i) retain copies of non-client identifiable Data, Agency's materials, or Confidential Information that it is required to retain by law or regulation, (ii) retain copies of its work product that contain Data, materials or Confidential Information for archival purposes or to defend its work product and (iii) in accordance with legal, disaster recovery and records retention requirements, store such copies and derivative works in an archival format (e.g. tape backups), which may not be returned or destroyed upon request of the Agency.
- (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 or cancelled 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 or cancellation 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 or it expires in accordance with its term, the Contractor shall reasonably assist the Agency in the orderly transfer of Services under this Contract and shall reasonably assist in the orderly cessation of Services it performs under this Contract, in each case, as agreed by the parties in writing. 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.

E. Statutory and Regulatory Compliance.

1. Health Insurance Portability and Accountability Act of 1996.

- (a) If the Contractor is a Business Associate under the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Contractor must comply with all terms and conditions of this Section of the Contract. If the Contractor is not a Business Associate under HIPAA, this Section of the Contract does not apply to the Contractor for this Contract.
- (b) The Contractor is required to safeguard the use, publication and disclosure of information on all applicants for, and all clients who receive, services under the Contract in accordance with all applicable federal and state law regarding confidentiality, which includes but is not limited to HIPAA, more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E; and
- (c) The State of Connecticut Agency named on page 1 of this Contract ("Agency") is a "covered entity" as that term is defined in 45 C.F.R. § 160.103; and
- (d) The Contractor, on behalf of the Agency, performs functions that involve the use or disclosure of "individually identifiable health information," as that term is defined in 45 C.F.R. § 160.103; and
- (e) The Contractor is a "business associate" of the Agency, as that term is defined in 45 C.F.R. § 160.103; and
- (f) The Contractor and the Agency agree to the following in order to secure compliance with the HIPAA, the requirements of Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), (Pub. L. 111-5, §§ 13400 to 13423), and more specifically with the Privacy and Security Rules at 45 C.F.R. Part 160 and Part 164, subparts A, C, and E.
- (g) Definitions
 - (1) "Breach" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. § 17921(1)).

- (2) "Business Associate" shall mean the Contractor.
 - (3) "Covered Entity" shall mean the Agency of the State of Connecticut named on page 1 of this Contract.
 - (4) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.
 - (5) "Electronic Health Record" shall have the same meaning as the term is defined in section 13400 of the HITECH Act (42 U.S.C. § 17921(5)).
 - (6) "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative as defined in 45 C.F.R. § 164.502(g).
 - (7) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E.
 - (8) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to information created or received by the Business Associate from or on behalf of the Covered Entity.
 - (9) "Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.
 - (10) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
 - (11) "More stringent" shall have the same meaning as the term "more stringent" in 45 C.F.R. § 160.202.
 - (12) "This Section of the Contract" refers to the HIPAA Provisions stated herein, in their entirety.
 - (13) "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R. § 164.304.
 - (14) "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. part 160 and part 164, subpart A and C.
 - (15) "Unsecured protected health information" shall have the same meaning as the term as defined in section 13402(h)(1)(A) of HITECH. Act. (42 U.S.C. §17932(h)(1)(A)).
- (h) Obligations and Activities of Business Associates.
- (1) Business Associate agrees not to use or disclose PHI other than as permitted or required by this Section of the Contract or as Required by Law.

- (2) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for in this Section of the Contract.
- (3) Business Associate agrees to use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Covered Entity.
- (4) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by Business Associate in violation of this Section of the Contract.
- (5) Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Section of the Contract or any security incident of which it becomes aware.
- (6) Business Associate agrees to insure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate, on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Section of the Contract to Business Associate with respect to such information.
- (7) Business Associate agrees to provide access, at the request of the Covered Entity, and in the time and manner agreed to by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.
- (8) Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Covered Entity, and in the time and manner agreed to by the parties.
- (9) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary in a time and manner agreed to by the parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- (10) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.
- (11) Business Associate agrees to provide to Covered Entity, in a time and manner agreed to by the parties, information collected in accordance with subsection (h)(10) of this Section of the Contract, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and section 13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder. Business Associate agrees at the Covered Entity's direction to provide an accounting of disclosures of PHI directly to an individual in accordance with 45 C.F.R. § 164.528 and section

13405 of the HITECH Act (42 U.S.C. § 17935) and any regulations promulgated thereunder.

- (12) Business Associate agrees to comply with any state or federal law that is more stringent than the Privacy Rule.
- (13) Business Associate agrees to comply with the requirements of the HITECH Act relating to privacy and security that are applicable to the Covered Entity and with the requirements of 45 C.F.R. §§ 164.504(e), 164.308, 164.310, 164.312, and 164.316.
- (14) In the event that an individual requests that the Business Associate
- (A) restrict disclosures of PHI;
 - (B) provide an accounting of disclosures of the individual's PHI; or
 - (C) provide a copy of the individual's PHI in an electronic health record,
- the Business Associate agrees to notify the covered entity, in writing, within five (5) business days of the request.
- (15) Business Associate agrees that it shall not, directly or indirectly, receive any remuneration in exchange for PHI of an individual without
- (A) the written approval of the covered entity, unless receipt of remuneration in exchange for PHI is expressly authorized by this Contract and
 - (B) the valid authorization of the individual, except for the purposes provided under section 13405(d)(2) of the HITECH Act, (42 U.S.C. § 17935(d)(2)) and in any accompanying regulations
- (16) Obligations in the Event of a Breach.
- (A) The Business Associate agrees that, following the discovery of a breach of unsecured protected health information, it shall notify the Covered Entity of such breach in accordance with the requirements of section 13402 of HITECH (42 U.S.C. § 17932(b)) and this Section of the Contract.
 - (B) Such notification shall be provided by the Business Associate to the Covered Entity without unreasonable delay, and in no case later than 30 days after the breach is discovered by the Business Associate, except as otherwise instructed in writing by a law enforcement official pursuant to section 13402(g) of HITECH (42 U.S.C. § 17932(g)). A breach is considered discovered as of the first day on which it is, or reasonably should have been, known to the Business Associate. The notification shall include the identification and last known address, phone number and email address of each individual (or the next of kin of the individual if the individual is deceased) whose unsecured protected health information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, or disclosed during such breach.

(C) The Business Associate agrees to include in the notification to the Covered Entity at least the following information:

1. A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known.
2. A description of the types of unsecured protected health information that were involved in the breach (such as full name, Social Security number, date of birth, home address, account number, or disability code).
3. The steps the Business Associate recommends that individuals take to protect themselves from potential harm resulting from the breach.
4. A detailed description of what the Business Associate is doing to investigate the breach, to mitigate losses, and to protect against any further breaches.
5. Whether a law enforcement official has advised either verbally or in writing the Business Associate that he or she has determined that notification or notice to individuals or the posting required under section 13402 of the HITECH Act would impede a criminal investigation or cause damage to national security and; if so, include contact information for said official.

(D) Business Associate agrees to provide appropriate staffing and have established procedures to ensure that individuals informed by the Covered Entity of a breach by the Business Associate have the opportunity to ask questions and contact the Business Associate for additional information regarding the breach. Such procedures shall include a toll-free telephone number, an e-mail address, a posting on its Web site or a postal address. For breaches involving ten or more individuals whose contact information is insufficient or out of date to allow written notification under 45 C.F.R. § 164.404(d)(1)(i), the Business Associate shall notify the Covered Entity of such persons and maintain a toll-free telephone number for ninety (90) days after said notification is sent to the Covered Entity. Business Associate agrees to include in the notification of a breach by the Business Associate to the Covered Entity, a written description of the procedures that have been established to meet these requirements. Costs of such contact procedures will be borne by the Contractor.

(E) Business Associate agrees that, in the event of a breach, it has the burden to demonstrate that it has complied with all notifications requirements set forth above, including evidence demonstrating the necessity of a delay in notification to the Covered Entity.

(i) Permitted Uses and Disclosure by Business Associate.

(1) General Use and Disclosure Provisions Except as otherwise limited in this Section of the Contract, Business Associate may use or disclose PHI to perform

functions, activities, or services for, or on behalf of, Covered Entity as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

(2) Specific Use and Disclosure Provisions

(A) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

(B) Except as otherwise limited in this Section of the Contract, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(C) Except as otherwise limited in this Section of the Contract, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

(j) Obligations of Covered Entity.

(1) Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity, in accordance with 45 C.F.R. § 164.520, or to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

(2) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(3) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(k) Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity, except that Business Associate may use and disclose PHI for data aggregation, and management and administrative activities of Business Associate, as permitted under this Section of the Contract.

(l) Term and Termination.

(1) Term. The Term of this Section of the Contract shall be effective as of the date the Contract is effective and shall terminate when the information collected in accordance with provision (l)(10) of this Section of the Contract is provided to

the Covered Entity and all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

(2) Termination for Cause Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

- (A) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity; or
- (B) Immediately terminate the Contract if Business Associate has breached a material term of this Section of the Contract and cure is not possible; or
- (C) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(3) Effect of Termination.

- (A) Except as provided in (1)(2) of this Section of the Contract, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall also provide the information collected in accordance with section (h)(10) of this Section of the Contract to the Covered Entity within ten business days of the notice of termination. This section shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
- (B) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon documentation by Business Associate that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Section of the Contract to such PHI and limit further uses and disclosures of PHI to those purposes that make return or destruction infeasible, for as long as Business Associate maintains such PHI. Infeasibility of the return or destruction of PHI includes, but is not limited to, requirements under state or federal law that the Business Associate maintains or preserves the PHI or copies thereof.

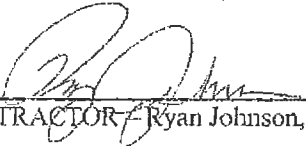
(m) Miscellaneous Sections.

- (1) Regulatory References. A reference in this Section of the Contract to a section in the Privacy Rule means the section as in effect or as amended.
- (2) Amendment. The Parties agree to take such action as is necessary to amend this Section of the Contract from time to time as is necessary for Covered Entity to

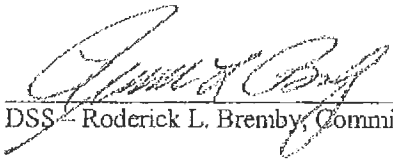
comply with requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

- (3) **Survival.** The respective rights and obligations of Business Associate shall survive the termination of this Contract.
 - (4) **Effect on Contract.** Except as specifically required to implement the purposes of this Section of the Contract, all other terms of the Contract shall remain in force and effect.
 - (5) **Construction.** This Section of the Contract shall be construed as broadly as necessary to implement and comply with the Privacy Standard. Any ambiguity in this Section of the Contract shall be resolved in favor of a meaning that complies, and is consistent with, the Privacy Standard.
 - (6) **Disclaimer.** Covered Entity makes no warranty or representation that compliance with this Section of the Contract will be adequate or satisfactory for Business Associate's own purposes. Covered Entity shall not be liable to Business Associate for any claim, civil or criminal penalty, loss or damage related to or arising from the unauthorized use or disclosure of PHI by Business Associate or any of its officers, directors, employees, contractors or agents, or any third party to whom Business Associate has disclosed PHI contrary to the sections of this Contract or applicable law. Business Associate is solely responsible for all decisions made, and actions taken, by Business Associate regarding the safeguarding, use and disclosure of PHI within its possession, custody or control.
 - (7) **Indemnification.** The Business Associate shall indemnify and hold the Covered Entity harmless from and against any and all claims, liabilities, judgments, fines, assessments, penalties, awards and any statutory damages that may be imposed or assessed pursuant to HIPAA, as amended or the HITECH Act, including, without limitation, attorney's fees, expert witness fees, costs of investigation, litigation or dispute resolution, and costs awarded thereunder, relating to or arising out of any violation by the Business Associate and its agents, including subcontractors, of any obligation of Business Associate and its agents, including subcontractors, under this section of the contract, under HIPAA, the HITECH Act, the Privacy Rule and the Security Rule.
2. **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 or terminate 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.
 3. **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.

4. **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.



 CONTRACTOR Ryan Johnson, Principal



 DSS - Roderick L. Bremby, Commissioner

5. **Non-discrimination.**

- (a) The following subsections are set forth here as required by section 4a-60 of the Connecticut General Statutes:
- (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, 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. 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, 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;~~
 - (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 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 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 sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f;~~
 - (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 section 46a-56.~~

- (b) ~~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 project.~~
- (c) ~~"Minority business enterprise" means any small contractor or supplier of materials fifty-one per cent 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 section 32-9n; and~~
- ~~"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "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.~~
- (d) ~~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.~~
- (e) ~~The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.~~
- (f) ~~The Contractor shall include the provisions of sections (a) and (b) above 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 section 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.~~
- (g) ~~The following subsections are set forth here as required by section 4a-60a of the Connecticut General Statutes:~~
- (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 of 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 section 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 section 46a-56.
- (h) — The Contractor shall include the provisions of section (g) above 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 section 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.
- (i) — For the purposes of this entire Non-Discrimination section, "Contract" or "contract" includes any extension or modification of the Contract or contract, "Contractor" or "contractor" includes any successors or assigns of the Contractor or contractor, "marital status" means being single, married as recognized by the state of Connecticut, widowed, separated or divorced, and "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. For the purposes of this section, "Contract" does 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 C.G.S. § 1-120;
 - (3) — any other state, including but not limited to any federally recognized Indian tribal governments, as defined in C.G.S. § 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).

5. 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.

6. Freedom of Information.

- (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, if 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.

7. **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.

8. **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 Reil, promulgated July 13, 2006, concerning contracting reforms and Executive Order 14 of Governor M. Jodi Reil, 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.

9. **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 (italized 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 \$3,000 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/seeec. 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 Administration Services under section 48-100.

"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, extensive 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.

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

CONTRACTOR – MERCER HEALTH & BENEFITS, LLC



RYAN JOHNSON, *Principal*

6/28/12
Date

DEPARTMENT OF SOCIAL SERVICES



RODERICK L. BREMBY, *Commissioner*

6/29/2012
Date

OFFICE OF THE ATTORNEY GENERAL



ASSE / ASSOC ATTORNEY GENERAL (*Approved as to form & legal sufficiency*)

Joseph Rubin

8/23/12
Date