

Agreement No.: LIEAP13-81029
Method of Payment Actual Cost

AGREEMENT
Between

MICHIGAN DEPARTMENT OF HUMAN
SERVICES &
(hereinafter referred to as DHS)
235 South Grand Avenue
P O Box 30037
Lansing, Michigan 48909

Washtenaw County Employment
Training & Community Services
(hereinafter referred to as Grantee)
301 West Michigan Ave; Ste 400
Ypsilanti, MI 48197

This Agreement will be in effect from the date of DHS signature through June 30, 2016. No service will be provided and no costs to the state will be incurred before April 1, 2013, or the effective date of the Agreement, whichever is later. Throughout this Agreement, the date of DHS signature or April 1, 2013, whichever is later, shall be referred to as the begin date.

I. REGULATORY AND PROGRAMMATIC REQUIREMENTS

A. Low Income Home Energy Assistance Act of 1981, Public Law 97-35, as amended.

The Department of Energy, Weatherization Assistance Program for Low Income Persons (P.L. 94-385 of 1976 as amended); the State of Michigan Annual U. S. Department of Energy (DOE) State Weatherization Assistance Program (WAP) Plan (and any amendments); the State of Michigan Annual Low Income Home Energy Assistance Program (LIHEAP) State Plan; the Technical Weatherization Policy (TWP) Manual; the Community Services Policy Manual (CSPM); and all applicable state-enabling and appropriation legislation are hereby incorporated by reference and shall be the controlling authority for all matters not specifically covered in this Agreement. The CSPM, as may be amended, will prevail when the manual has policy which contains additional requirements to the above cited regulations.

B. Site Visits

DOE/U.S. Health & Human Services (HHS)/DHS authorized representatives have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. The Grantee must provide, and must require the sub-grantees to provide, reasonable access to facilities, office space, resources, and assistance for the safety and convenience of the government representatives in the performance of

their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

C. Publications

1. The Grantee is encouraged to publish or otherwise make publicly available the results of the work conducted under the Agreement.
2. An acknowledgment of Federal support must appear in the publication of any material.

D. Federal, State, and Municipal Requirements

The Grantee must obtain any required permits and comply with applicable federal, state, and municipal laws, codes, and regulations for work performed under this Agreement.

E. Lobbying Restrictions

By accepting funds under this Agreement, the Grantee agrees that none of the funds obligated on the Agreement shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

F. Weatherization

1. Weatherization services can only be completed on dwellings which are owner or renter occupied, and its occupants must meet the eligibility requirements as identified in Section II.F. of this Agreement.
2. The Grantee shall establish and maintain quality control procedures that require each weatherized dwelling be post-inspected and weatherization approved. This post inspection and approval must be completed prior to reporting the weatherization project as completed to DHS.
3. The maximum average allowable LIHEAP expenditure for material and labor costs per unit is \$6,600.
4. Roof replacement can only be done on homeowner units.
5. Funds may be used to replace a water heater which is inoperable or documented as faulty or inefficient by a utility or repair person. Water heaters may only be replaced when the home is being weatherized.

An electric water heater meeting the criteria above can be replaced with another

electric water heater or a water heater using another fuel source. Any reasonable charges associated with conversion from electricity to another fuel source can be included. Funds shall not be used to convert to an electric water heater from another fuel source, and shall not be used if the local utility will cover the replacement cost.

G. Administration and Technical Assistance (T/TA) Expenses

1. The Grantee shall not exceed the allocated amount for Administration or Technical Assistance.
2. Interest income must be treated consistent with 10 CFR 600.

II. GRANTEE RESPONSIBILITIES

A. Geographic Area

The Grantee shall provide services described herein in the following geographic area(s): As noted in the LIHEAP Weatherization Assistance Program Plan.

B. Location of Facilities

The Grantee shall provide services described herein at the following location(s): As noted in the LIHEAP Weatherization Assistance Program Plan.

C. General Program Requirements

The Grantee shall weatherize eligible dwelling units in its service area as detailed in the Grantee's LIHEAP Weatherization Assistance Program Plan, as approved by DHS.

The Grantee shall maintain a basic service system which includes an outreach/intake system, a method of installing measures, audit and final inspection procedures, and qualified crews and/or subcontractors.

D. Program Dwelling Requirements

The Grantee shall not report any dwelling unit as completed until all weatherization material is installed and a final post inspection is performed and approved.

E. Plan Modifications

1. Any modifications to the Grantee's LIHEAP Weatherization Assistance Program Plan must be approved by DHS:

- a. Prior to the Grantee changing the types of activities to be performed under this Agreement.
 - b. Prior to the Grantee's making expenditures in excess of limitations identified in the original Agreement.
 - c. As determined by DHS because of funding level changes.
 - d. At DHS request for a modification to ensure maximum production and expenditure of LIHEAP Program funds.
2. A plan modification must be submitted to DHS and must include documentation as required by DHS.
 - a. Cost documentation must be attached to the modification request for any total budget increase or decrease.
 - b. The plan modification and documents become a part of this Agreement when the plan has been approved and signed by DHS.

F. Client Eligibility and Determination

1. Eligibility

A dwelling unit shall be eligible for LIHEAP weatherization assistance if it is occupied by a group:

- a. Whose income is at or below 150% of the poverty level established by the U.S. Department of Health and Human Services, or
- b. Which contains a member who has received at any time during the preceding 12-month period including the date of application for weatherization assistance:
 - Cash assistance payments under Title IV (FIP) or, XVI of the Social Security Act, (SSI) or
 - State Disability Assistance, or
- c. It is a qualified rental dwelling unit in accordance with CSPM Item 608.

2. Determination

The Grantee shall determine client eligibility in accordance with the criteria detailed in this Agreement and CSPM item 701. The Grantee shall use a DHS approved client services application and client income documentation to

determine household eligibility.

3. Client Records

For each eligible client served under this Agreement, the Grantee shall maintain client case records consisting of all required items as prescribed in CSPM items-700 series and 903.

A copy of the client's FACSPRO Customer Report or the DHS-4283 with original client and agency signatures must be in the physical file as well as uploaded onto FACSPRO. All other required file documents must be uploaded onto FACSPRO.

G. Services to be Delivered

The Grantee shall perform services as described in the attached Grantee LIHEAP Weatherization Assistance Program Plan.

H. Service Documentation

The Grantee agrees to maintain program records required by DHS, program statistical records required by DHS, and to produce program narrative and statistical data at times prescribed by and on forms furnished by DHS.

I. Fiscal Requirements

The Grantee shall install and maintain an accounting system to identify and support all expenditures billed to the DHS under this Agreement. The accounting system must record all income and expenses for the Grantee's total program of which services provided under this Agreement are a part. The accounting system, as a minimum, shall consist of a chart of accounts, cash receipts journal, cash disbursements journal, and general ledger. All expenditures and income must be supported by vouchers and receipts that detail the reason for the transaction.

The Grantee shall maintain, within the accounting system, salary and fringe benefits accounts that break out positions, hospitalization, retirement, workmen's compensation and other fringe benefits. The Grantee shall maintain payroll records to support amounts billed to DHS in accordance with the federal timekeeping requirements described in the applicable OMB Circular A-122, OMB Circular A-87, or as codified in the Code of Federal Regulations.

J. Audit Requirements

Sub recipient Relationship

This Agreement constitutes a sub recipient relationship with DHS. The Grantee is required to comply with all federal regulations that related to the accounting and auditing

of the federal award used to fund this contract. This includes, but is not limited to, compliance with OMB Circular A-133.

Regulations applicable to funding sources are included in the Catalog of Federal Domestic Assistance (CFDA). The Federal Program Title, CFDA number and federal financial participation (FFP) rate DHS will to use for this Agreement are:

Federal Program Title	CFDA #	FFP%
WAP	81.042	100%

However, DHS may change the CFDA number and/or FFP rate during the course of this Agreement. CFDA numbers and FFP rates for this Agreement shall be posted quarterly on the DHS website. The Grantee is required to check the website to obtain up to date information regarding the CFDA numbers (unless notified otherwise by the DHS Office of Logistics and Rate Setting).

The Grantee shall consult the following website address to obtain CFDA numbers, payments, program updates and other audit information:

<http://www.michigan.gov/dhs/0,4562,7-124-5439-16669--,00.html>

DHS agrees to participate in audit cost related to the audit as described in other sections of this Agreement.

Reporting Requirements

The Grantee must immediately report to the DHS Office of Monitoring and Internal Controls (OMIC) accounting irregularities including noncompliance with provisions of this Agreement.

If the Grantee required per OMB Circular A-133 to have a Single Audit performed, the Grantee must submit the reporting package and an audit transmittal letter to the DHS OMIC at the address that follows and in accordance with the time frame established in the OMB Circular.

Reporting Package includes:

1. Financial statements and schedule of expenditures of federal awards
2. Summary schedule of prior audit findings
3. Auditor's report(s)
4. Corrective action plan, if applicable.

Audit Transmittal Letter

The Grantee is responsible to identify in the audit transmittal letter all organizations it operates that administer DHS sub recipient programs and the different names the

Grantee may use to contract with DHS. The Grantee is responsible for proper completion and submission of the audit transmittal letter. This letter, to be accurately processed by DHS, must include the following information:

1. Grantee's name as reported in the DHS Agreement(s)
2. Grantee's federal identification number(s) as reported in the DHS Agreement(s)
3. Grantee's fiscal year end
4. Identify other name(s) and other federal identification number(s) used by the Grantee

If a single audit is not required per OMB Circular A-133, the Grantee must still submit an audit transmittal letter stating why a single audit was not required and the Grantee's fiscal year the letter pertains to. The audit transmittal letter should include the four items described above. The letter may be mailed to the address below or FAX to (517) 373-8771.

Mailing address for all information:

Michigan Department of Human Services
Office of Monitoring and Internal Controls
Grand Tower Suite 1112
P.O. Box 30037
Lansing, MI 48909

If the Grantee is a sub recipient of DHS, but asserts it is not required to have a single audit performed, the Grantee shall submit an audit transmittal letter to the DHS OMIC stating the reason the single audit is not required. Failure by the Grantee to submit the transmittal letter shall result in invoking the same sanctions on the Grantee as failure to submit the single audit report.

Audit Cost

Cost of the single audit can only be charged to this Agreement if there is a provision within this Agreement that allows payment for the single audit cost. No audit cost may be charged to this Agreement if the Grantee is not required by federal requirements to have a single audit.

No audit costs may be charged to DHS when audits required by this Agreement have not been performed or have not been performed in accordance with OMB Circular A-133 requirements. Late submission (as defined in OMB Circular A-133) of the single audit report and/or audit transmittal letter is considered non-compliance with this section and may be grounds to impose sanctions.

Sanctions

DHS may impose sanctions if the Grantee fails to adhere to any of the audit requirements in this Agreement, including the audit transmittal letter. In cases of continued inability or unwillingness on the part of the Grantee to comply with audit requirements, DHS may impose sanctions such as:

1. Withholding a percentage of a federal awards until the audit is completed satisfactorily.
2. Withholding or disallowing overhead costs.
3. Suspending federal awards until the audit is conducted.
4. Terminating the federal award.
5. Recouping the federal payments made to the Grantee under this or any other agreements between the DHS and the Grantee.

K. Budget

A budget shall be attached to any Notice of Funds Available (NFA) associated with this Agreement. The Grantee certifies that this budget has been prepared in accordance with the instructions provided by DHS. This document details the amount and object of expenditures for which the Grantee shall use funds paid under this Agreement. The Grantee is authorized to expend funds only for those resources indicated in the budget that are allowable, properly allocated and reasonable as defined in the instructions.

The Grantee shall follow and adhere to the budget. However, expenditures up to a 5% increase or \$3,000, whichever is greater, above the direct cost line item budget categories are permissible, excluding Administrative and T/TA line items, provided the sum of all expenditures does not exceed the total amount of the Agreement.

The Grantee shall not be reimbursed for any expenditures incurred in budget line items that do not include dollar amounts. The Grantee must obtain prior written approval from DHS to increase any line item by more than 5% or \$3,000, whichever is greater. The DHS representative authorized to approve budget revisions is the Director, Office of Logistics and Rate Setting. The Grantee's request for DHS approval must contain sufficient information to allow DHS to identify which budget line items are to be increased and which line items are to be decreased, staying within the originally approved budget total.

If services are provided by a sub-contractor, a sub-contractor's budget and statement of work must be provided to DHS for sub-contractor budgets greater than \$2,500.00.

L. Billing Procedure

The Grantee shall submit a monthly DHS Statement of Expenditures (SOE) to DHS.

The SOE shall accurately indicate the actual costs incurred broken out by category of expense in the performance of this Agreement for the period being billed. The Grantee shall adhere to the expenditure report procedures as outlined in CPSM items 401.3 and 402.3.

The Grantee shall submit a detailed General Ledger for each SOE along with any other supporting documentation as required by BCAEO.

The SOE and supporting documents shall be submitted to DHS within 30 days from the end of the monthly billing period. For the month of September, billings shall be submitted as reasonably directed by the grant administrator to meet fiscal year end closing deadlines. In no event shall DHS make a payment to the Grantee for billings submitted more than 60 days after the end of a billing period, without prior approval from DHS.

For travel costs (including mileage, meals, and lodging) incurred related to services provided under this Agreement, the Grantee may bill DHS the premium state rate, or Grantee's usual reimbursement rate for employees, whichever is less. State of Michigan travel rates may be found at the following website:

http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html

The Grantee cannot charge DHS more for a provision of service than is charged to other entities for whom the Grantee provides services.

Costs incurred outside of the term of this Agreement shall not be eligible for reimbursement.

M. Support of Wages Charged on the Statement of Expenditures

Upon request of DHS, the Grantee shall submit employee activity sheets to support the amount of wages charged on the Statement of Expenditures. DHS will identify a specific Statement of Expenditure and request the Grantee to submit all employee activity sheets for employees who were charged in whole or in part to DHS, along with any other scheduled or work papers necessary to support the amount of wages charged, in accordance with the appropriate federal circular.

The Grantee shall provide the requested information no later than 10 days after the request. If, after review of the information, DHS determines that the Grantee is in substantial compliance with documentation requirements related to compensation, DHS will communicate with the Grantee that no further action is necessary. In the event the Grantee cannot support the amount of wages charged on the Statement of Expenditures, DHS may, at its discretion, request recoupment for the difference between the amount charged and the amount that can be supported by the activity sheets.

N. Programmatic Reporting

The Grantee shall submit the LIHEAP Activity Report (DHS-1073) to DHS no later than 30 days following the completion of the contract period of each program year. The report shall be submitted electronically to the following email address:

DHS-BCAEO@michigan.gov

The Grantee is required to have all weatherization jobs for the report month entered by the fourteenth day of the month following the report month into the DBA FACSPRO database. DHS-1071 report information will be extracted from FACSPRO the fifteenth day of the month following the report month.

The reporting requirements for this Agreement are identified in CSPM items 602 and 702. Failure to comply with these reporting requirements is considered a material noncompliance with the terms of the Agreement. Noncompliance may result in withholding of future payments, suspension, or termination of the current Agreement, and withholding of future Agreements. A willful failure to perform, a history of failure to perform, or unsatisfactory performance of this and/or other financial assistance Agreements, may also result in a debarment action to preclude future Agreements by Federal agencies.

The Grantee may consult the following website address to obtain CFDA numbers, payments and other audit information:

<http://www.michigan.gov/dhs/0,4562,7-124-5439-16669--,00.html>

O. Federal Guidelines for Use of Federal Funds

In order for DHS to comply with the Federal Funding Accountability and Transparency Act (FFATA), the Grantee shall provide the following information:

The names and total compensation of the five most highly compensated officers of the entity if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in federal awards; and \$25,000,000 or more in annual gross revenues from federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. See FFATA § 2(b)(1).

The information may be mailed to the address below or FAX to (517) 335-6390.

Michigan Department of Human Services
Office of Logistics and Rate Setting
Grand Tower Suite 1201

PO Box 30037
Lansing, MI 48909

P. Criminal Background Check

As a condition of this Agreement, the Grantee certifies that the Grantee shall, prior to any individual performing work under this Agreement, conduct or cause to be conducted for each new employee, employee, subcontractor, subcontractor employee, or volunteer who works directly with:

1. Clients under this Agreement, or who has access to client information, an Internet Criminal History Access Tool (ICHAT) check and a National and State Sex Offender Registry check.

Information about ICHAT can be found at <http://apps.michigan.gov/ichat>.

The Michigan Public Sex Offender Registry website address is <http://www.mipsor.state.mi.us>.

The National Sex Offender Public website address is <http://www.nsopw.gov>.

2. Children under this Agreement, a Central Registry (CR) check.

Information about CR can be found at

http://www.mi.gov/dhs/0,1607,7-124-5452_7119_48330-180331--,00.html.

The Grantee shall require each new employee, employee, subcontractor, subcontractor employee, or volunteer who works directly with clients or who has access to client information under this Agreement to notify the Grantee in writing of criminal convictions (felony or misdemeanor), and/or pending felony charges, or placement on the Central Registry as a perpetrator, at hire or within 10 days of the event after hiring.

Additionally, the Grantee shall require each new employee, employee, subcontractor, subcontractor employee, or volunteer who works directly with clients under this Agreement or who has access to client information and who has not resided or lived in Michigan for each of the previous 10 years to sign a waiver attesting to the fact that they have never been convicted of a felony or identified as a perpetrator, or if they have, the nature and recency of the felony.

The Grantee further certifies that the Grantee shall not submit claims for or assign duties under this Agreement to any new employee, employee, subcontractor, subcontractor employee, or volunteer based on a determination by the Grantee that the results of a positive ICHAT and/or a CR response or reported criminal felony conviction or perpetrator identification make the individual ineligible to provide the services.

The Grantee must have a written policy describing the criteria on which its determinations shall be made and must document the basis for each determination. The Grantee may consider the recency and type of crime when making a determination. Failure to comply with this provision may be cause for immediate cancellation of this Agreement. In addition, the Grantee must further have a written policy regarding acceptable screening practices of new staff members and volunteers who have direct access to clients and/or client's personal information, which serve to protect the organization and its clients that is clearly defined. The Grantee must also assure that any subcontractors have both of these written policies.

If DHS determines that an individual provided services under this Agreement for any period prior to completion of the required checks as described above, DHS may require repayment of that individual's salary, fringe benefits, and all related costs of employment for the period that the required checks had not been completed.

III. DHS RESPONSIBILITIES

A. Payment

DHS shall make payment to the Grantee within forty-five (45) days after receipt by DHS of the Grantee's Statement of Expenditure Report detailing program related expenditures as set forth in the budget attached to any NFAs that are associated with this Agreement and the Weatherization Assistance Program Monthly Programmatic Report (DHS-1071).

DHS reserves the right to withhold payment(s) until all required reports are received.

B. Maximum Amount of Agreement

DHS shall notify the Grantee of funding availability associated with this Agreement through an NFA. DHS has no commitment to reimburse the provider for any costs not included in the budget approved by DHS. No reimbursement shall be made by DHS for any costs incurred by the provider until and unless a budget is approved by DHS.

The NFA shall be signed by DHS and incorporated by reference into this Agreement unless the Grantee sends written notice of disagreement with the terms specified in the NFA within 14 days of its receipt. DHS hereby agrees to pay the Grantee an amount not to exceed the amount identified in the NFA for activities performed under this Agreement exclusively for the period indicated in the NFA.

C. Cash Advance Payment

DHS shall make a one-time cash advance payment as specified in the initial Notice of Funds Available (NFA) to the Grantee within approximately 30 days after full execution of the NFA. This one-time cash advance payment shall not exceed 10% of the Agreement total specified in the initial NFA.

Recovery of the one-time cash advance payment shall be made through deductions from each payment to the Grantee during the Agreement period in which the one-time cash advance payment is made, to prevent total payments from exceeding the Agreement amount for that Agreement period. The formula for the deduction shall be: (current bill amount/total current Agreement period amount) multiplied by the one-time cash advance amount.

DHS reserves the right to accelerate the rate of recovery when, in the sole opinion of DHS, the amount of previous and/or future billings is anticipated to be less than that needed to assure full recovery of the one-time cash advance payment from the current year's award. In such a case, payments may be adjusted to recover up to 100% of the outstanding one-time cash advance payment from a single billing.

Where the one-time cash advance payment, or any portion of the one-time cash advance payment, remains uncovered at the end of the Agreement Period, it becomes an obligation of the Grantee to DHS and must be remitted to DHS within 30 days of the end of the Agreement period.

IV. GENERAL PROVISIONS

A. Conclusion, Termination, and Cancellation Terms

1. DHS' Source of Funds-Termination

DHS' payment of federal or state funds for purposes of this Agreement is subject to and conditional upon the availability of those funds for such purposes. No commitment is made by DHS to continue or expand activities covered by this Agreement. Funding for services to be provided beyond the end of the initial state fiscal year is dependent on legislative appropriation.

DHS may terminate this Agreement immediately upon written notice to the Grantee at any time prior to the completion of this Agreement if, in the sole discretion of DHS, funding becomes unavailable for this service or such funds are restricted.

2. Cancellation of Agreement

By signing this Agreement, the Grantee hereby certifies to the best of its knowledge, that no funds have been given to any state officer, official, or state

employee for influencing or attempting to influence such officer, official, or employee of the state.

Except as indicated below, DHS may cancel this Agreement without further liability to DHS or its employees by giving the Grantee written notice of such cancellation 30 days prior to the date of cancellation; in the event of such cancellation, DHS may procure the services from other sources. The Grantee may terminate this Agreement upon thirty days written notice to DHS at any time prior to the completion of the Agreement period.

In case of default by the Grantee, DHS may immediately cancel this Agreement without further liability to DHS or its employees, and procure the services from other sources.

In addition, DHS may immediately cancel this Agreement without further liability to DHS or its employees if the Grantee, an officer of the Grantee, or an owner of a 25% or greater share of the Grantee is convicted of a criminal offense incident to the application for or performance of a state, public, or private grant or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for state of Michigan employees; convicted under state or federal antitrust statutes; or convicted of any other criminal offense which, in the sole discretion of DHS, reflects on the Grantee's business integrity.

3. Stop Work Orders

The DHS Director or Director's designee may, at any time, by written stop work order to the Grantee, require that the Grantee stop all, or any part, of the work called for by the Agreement for a period of up to 90 calendar days after the stop work order is delivered to the Grantee, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section of the Agreement. Upon receipt of the stop work order, the Grantee shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage.

If a stop work order issued under this section of the Agreement is canceled or the period of the stop work order or any extension thereof expires, the Grantee shall resume work. The parties shall agree upon an equitable adjustment in the services to be delivered, the Agreement price, or both, and the Agreement shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in the Grantee's cost properly allocable to the performance of any part of this Agreement; and (b) the Grantee asserts its right to an equitable adjustment within 30 calendar days after the end of the

period of work stoppage, provided that, if DHS decides the facts justify the action, DHS may receive and act upon a Grantee billing submitted at any time before final payment under the Agreement.

B. Closeout Responsibilities

1. Closeout

When this Agreement is concluded or terminated, for any reason, the Grantee shall provide DHS, within 30 days of conclusion or termination, with all financial, performance and other reports required as a condition of this Agreement. DHS shall within the limit of this Agreement reimburse the Grantee for allowable costs not previously reimbursed. The Grantee shall immediately refund to DHS any payments or funds advanced to the Grantee in excess of allowable reimbursable expenditures.

2. Fixed Assets

DHS reserves the right to obtain or transfer title to all fixed assets, real or personal, included in the approved budget of this Agreement, billed in full or in part to DHS by the Grantee. Fixed asset costs billed to DHS shall be limited to straight-line determination or a use charge pre-approved by DHS and shall be used only for the performance of the Agreement unless another use is authorized in writing by DHS.

At least 60 days prior to the end date of this Agreement (which includes cancellation of the Agreement) the Grantee shall report to DHS the book value of all fixed assets and non-consumables purchased with DHS funds and not fully utilized by the end of the Agreement. The Grantee shall request written instructions regarding the disposal of these fixed assets and consumable and/or non-consumable supplies that have been acquired with funds under this Agreement. Any gain on the sale or disposition of fixed assets before completion of this Agreement must be immediately reported and refunded to DHS.

No disposal, sale or transfer of fixed assets purchased under this Agreement in whole or part, may occur without the express written consent of DHS.

3. Continuing Responsibilities

Termination, conclusion, or cancellation of this Agreement shall not be construed as terminating the ongoing responsibilities of the Grantee or rights of DHS contained in Section IV, "Examination and Maintenance of Records" and "Closeout" of this Agreement.

C. Compliance with Rules and Regulations

1. Compliance with Federal and State Requirements

The Grantee shall comply with all federal, state and local statutes, regulations and administrative rules, and any amendments thereto, as they may apply to the performance of this Agreement. This shall include, but shall not be limited to, those laws and regulations that could have a material effect on the federal program.

In addition, the Grantee shall comply with all federal grant agreements, provisions stated within the Catalog of Federal Domestic Assistance (CFDA), and state and federal laws and other rules and regulations related to this funding source that occur over the term of the Agreement.

The Grantee shall comply with all Federal Office of Management and Budget circulars that apply to the federal funding provided under this Agreement and the Grantee's organizational status. These circulars include but are not limited to:

- . A-122 – Cost Principles (Private, Non-Profit agencies)
- . A-110 – Administrative Requirements (Private, Non-Profit agencies)
- . A-87 – Cost Principles (Public agencies)
- . A-102– Administrative Requirements (Public agencies)
- . A-133 – Audit Requirements (Private, Non-Profit and Public agencies)
- . Special Federal Grant Provisions (Private, Non-Profit and Public agencies)

The Grantee shall keep informed of federal, state, and local laws, ordinances, rules, regulations, orders, and decrees of bodies or tribunals having any jurisdiction/authority that in any manner affects those engaged in or employed on the work done under this Agreement or that in any manner affects the conduct of the work done under this Agreement.

Employees of the Grantee and any subcontractor (all employees), working under this Agreement, must be legally present to work in the United States. The Grantee shall determine the eligibility status of all employees using the U.S. Department of Homeland Security E-verify system (<http://www.uscis.gov/portal/site/uscis/menuitem.eb1d4c2a3e5b9ac89243c6a7543f6d1a/?vgnextoid=75bce2e261405110VgnVCM1000004718190aRCRD&vgnnextchannel=75bce2e261405110VgnVCM1000004718190aRCRD>). The Grantee shall provide a certification indicating that (1) employee eligibility status was verified through the U.S. Department of Homeland Security E-verify system and (2) all employees working under this Agreement are legally present to work in the United States.

2. Civil Service Rules and Regulations

The state of Michigan is obligated to comply with Article XI, Section 5, of the Michigan Constitution and applicable civil service rules and regulations. Other provisions of this Agreement notwithstanding, the state personnel director is authorized to disapprove contractual disbursements for personal services if the state personnel director determines that this Agreement violates Article XI, Section 5 of the Michigan Constitution or applicable civil service rules and regulations.

3. Compliance with Civil Rights, Other Laws

The Grantee shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight or marital status pursuant to Title VI and VII of the Civil Rights Act, 42 USC 2000d et seq., and the Elliott-Larsen Civil Rights Act, MCL 37.2101 et seq.

The Grantee shall also comply with the provisions of:

- . The Americans with Disabilities Act of 1990, 42 USC 12101 et seq.
- . The Michigan Persons with Disabilities Civil Rights Act, MCL 37.1101 et seq.
- . Section 504 of the Federal Rehabilitation Act of 1973, 29 USC 791 et seq., which states that no employee or client or otherwise qualified handicapped individual shall, solely by reason of this handicap, be excluded from participation, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
- . HIPAA regulations at 42 CFR Part 160 and Part 164.

4. Freedom of Information Act

All information in this Agreement is subject to the provisions of the Freedom of Information Act. 1976 Public Act 442, as amended, MCL 15.231, et seq.

5. Prohibition Against Using Funds to Support Religious Activities

The Grantee shall not use financial funds administered by the state or federal government to support inherently religious activities, such as worship, religious instruction, or proselytization. If the Grantee engages in such activities, it must

offer them separately, in time or location, from the programs or services funded with state or federal assistance, and participation must be voluntary for the beneficiaries of the state or federally funded programs or services.

The Grantee shall strictly adhere to provisions of federal law and regulation, including those found in 42 USC 604a.

D. Fees and Other Sources of Funding

The Grantee guarantees that any claims made to DHS under this Agreement shall not be financed by any source other than DHS under the terms of this Agreement. If funding is received through any other source, the Grantee agrees to deduct from the amount billed to DHS the greater of either the fee amounts, or the actual costs of the services provided.

The Grantee may not accept reimbursement from a client unless the Agreement specifically authorizes such reimbursement in the "Grantee Responsibility" section. In such case, a detailed fee scale and criteria for charging the fee must be included. If the Grantee accepts reimbursement from a client in accordance with the terms of the Agreement, the Grantee shall deduct these fees from billings to DHS.

Other third party funding sources, e.g., insurance companies, may be billed for contracted client services. Third party reimbursement shall be considered payment in full unless the third party fund source requires a co-pay, in which case DHS may be billed for the amount of the co-pay. No supplemental billing is allowed.

E. Confidentiality

1. The Grantee and the state of Michigan (hereinafter referred to as the state) each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, confidential information of the Grantee must mean all non-public proprietary information of the Grantee (other than confidential information of the state as defined below) which is marked confidential, restricted, proprietary or with a similar designation. Confidential information of the state must mean any information which is retained in confidence by the state (or otherwise required to be held in confidence by the state under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to the Grantee by the state under its performance under this Agreement, is marked as confidential, proprietary or with a similar designation by the state. Confidential information includes information made privileged or confidential under federal and state laws and excludes any information (including this Agreement) that is publicly available under the Michigan Freedom Of Information Act.
2. The state and the Grantee will each use at least the same degree of care to prevent disclosing to third parties the confidential information of the other as it

employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither the Grantee nor the state will (i) make any use of the confidential information of the other except as contemplated by this Agreement, (ii) acquire any right in or assert any lien against the confidential information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's confidential information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and subcontractors who must have access to fulfill the purposes of this Agreement. Disclosure to, and use by, a subcontractor is permissible where (A) use of a subcontractor is authorized under this Agreement, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's scope of responsibility, and (C) the Grantee obligates the subcontractor in a written Agreement to maintain the state's confidential information in confidence. At the state's request, any employee of the Grantee and of any subcontractor having access or continued access to the state's confidential information may be required to execute an acknowledgment that the employee has been advised of the Grantee's and the subcontractor's obligations under this section and of the employee's obligation to the Grantee or subcontractor, as the case may be, to protect the confidential information from unauthorized use or disclosure.

Promptly upon termination or cancellation of this Agreement for any reason, the Grantee must certify to the state that the Grantee has destroyed all state confidential information.

F. Examination and Maintenance of Records

The Grantee shall permit DHS or any of its authorized agents access to the facilities being utilized at any reasonable time to observe the operation of the program. Further, the Grantee shall retain all books, records or other documents relevant to this Agreement for six years after final payment, at the Grantee's cost, and shall send copies of said books, records or other documents to DHS upon request. Federal auditors and any persons duly authorized by DHS shall have full access to and the right to examine and audit any of said material during said period. If an audit is initiated prior to the expiration of the six-year period and extends past that period, all documents shall be maintained until the audit is completed. DHS shall provide findings and recommendations of audits to the Grantee. DHS shall adjust future payments or final payment if the findings of an audit indicate over payment to the Grantee in any period prior to the audit. If no payments are due and owing the Grantee, the Grantee shall refund all amounts which may be due DHS within 60 days notice by DHS.

The Grantee shall assure, as a condition of any sale or transfer of ownership of the Grantee agency, that the new purchasers or owner maintains the above-described books, records or other documents for any unexpired portion of the six-year period after final payment under this Agreement or the Grantee shall otherwise maintain

said records as DHS may direct. If business operations cease, the Grantee shall maintain records as DHS may direct. The Grantee shall notify DHS when and if the Grantee operations cease during the six-year period after final payments and provide for appropriate storage of records at the Grantee's expense.

The Grantee shall, as a provision of the Agreement between the Grantee and the auditor, assure that DHS may make reasonable inquiries of the auditor relating to audit work papers and, furthermore, that DHS may review the auditor's work papers in support of the audit.

G. Reporting and Monitoring

1. Reporting

The Grantee shall comply with all program and fiscal reporting procedures as are or may hereinafter be established by DHS. The Grantee shall also comply with all reporting procedures established by DHS in completion of progress reports at time intervals, on forms, in formats, and by means specified by DHS. In particular, reports or billing documents denoting event dates shall record month, day and year as specified by DHS. In all electronic filings, four digits shall be used to designate year. Any additional reports as deemed necessary by DHS shall be made and submitted by the Grantee upon request.

2. Monitoring Requirements

DHS reserves the right to perform scheduled and unscheduled on-site visits during normal business hours, to monitor the Grantee's activities under this Agreement at any time, either during the term, or within three years after termination of the Agreement. The Grantee shall cooperate with DHS during the monitoring process by making available all records, facilities, and other resources necessary to perform the review.

If DHS detects noncompliance with this Agreement, and/or questioned costs during the course of its review, these items shall be identified and conveyed to the Grantee in an exit conference. DHS shall provide the Grantee with a detailed written report of these findings within 60 days of the exit conference. The Grantee is required to address each item in DHS' report by providing a Corrective Action Plan (CAP) to eliminate or correct each issue of noncompliance. The Grantee shall submit the CAP to DHS within 60 days from issuance of DHS' report.

If DHS identifies questioned costs that cannot be substantiated, DHS may, at its discretion, and after consultation with the Grantee, require the Grantee to submit a revised SOE to reflect adjustment for disallowed costs. Submission of revised billings to DHS shall be made within a time schedule established by DHS and the Grantee. If the Grantee fails to comply with monitoring

requirements as set forth in this Agreement, and within allotted time frames mutually established, DHS may, at its discretion, invoke sanctions on the Grantee, which may include, but are not limited to, actions to collect disallowed costs and/or cancellation of the Agreements.

3. Audit Reports that Contain a Going Concern Statement

If an audit firm conducts an audit of the Grantee and issues an audit report with a finding of a Going Concern, the Grantee must submit this audit report to the DHS OMIC within 10 days from the date of the audit report. The submission of this audit report to DHS is required regardless of whether an audit is required under this Agreement.

A Grantee receiving a Going Concern must submit a financial plan to the DHS OMIC no later than 25 days from the date of the audit report issued by the audit firm. The financial plan must be approved by DHS. Failure of the Grantee to either timely submit the audit report with the Going Concern, or timely submit a financial plan, or DHS' rejection of the Grantee's financial plan, are grounds for immediately terminating this Agreement.

Mailing address for all audit information:

Michigan Department of Human Services
Office of Monitoring and Internal Controls
Grand Tower, Suite 1112
PO Box 30037
Lansing, MI 48909

H. Recoupment of Funding and Repayment of Debts

1. Recoupment of Funding

If the Grantee fails to comply with requirements as set forth in this Agreement, or fails to submit a revised Statement of Expenditures within allotted time frames established by DHS in consultation with the Grantee, DHS may, at its discretion, recoup or require the Grantee to reimburse payments made under this Agreement which DHS has determined that the Grantee has been overpaid. The Grantee is liable for any cost incurred by DHS in the recoupment of any funding.

Upon notification by DHS that repayment is required, the Grantee shall make payment directly to DHS within 30 days or DHS may withhold current or future payments made under this or any other agreements, current or future, between DHS and the Grantee.

If the Grantee fails to: (1) correct noncompliance activities identified by DHS, (2) submit revised billings as requested as part of a Corrective Action Plan

when required; or (3) remit overpayments or make arrangements to have the overpayments deducted from future payments within 30 days, such failure shall constitute grounds to terminate immediately any or all of DHS' agreements with the Grantee. DHS shall also report noncompliance of the Grantee to Michigan's Department of Technology, Management and Budget. Such report may result in the Grantee's debarment from further grants with the state of Michigan.

2. Repayment of Debts and Other Amounts due DHS

By entering into this Agreement, the Grantee agrees to honor all prior repay agreements established by DHS with the Grantee or Grantee's predecessors. If the Grantee has an outstanding debt due to DHS but does not have a repayment agreement, the Grantee agrees to make monthly payments to DHS at an amount not less than 5% of any outstanding balance and to begin on the date this Agreement is executed.

If the Grantee fails to honor prior repayment agreements, or the Grantee fails to begin repayment on an obligation due to DHS that is not subject to a repayment agreement, DHS will initiate the administrative process to reduce payments to the Grantee under this Agreement to recoup the debt. The payment reduction will be made at the amount originally established in the repayment agreement or at an amount not less than 5% of any outstanding balance effective on the date this Agreement is executed.

If disallowed costs are identified as a result of DHS monitoring, or are identified in the Grantee's audit, the Grantee shall be required to repay any disallowed cost within 90 days, or to establish a DHS approved repayment agreement of any disallowed cost within 90 days of the finding. Any disallowed grant or contract fund expenditures cannot be repaid from DHS contracted funds. If the Grantee fails to repay the disallowed costs, DHS will initiate the administrative process to recoup such costs.

I. Subcontracts

The Grantee shall not assign this Agreement or subcontract this Agreement to other parties without obtaining prior written approval of the DHS Office of Logistics and Rate Setting. DHS, as a condition of granting such approval, shall require that such assignees or subcontractors shall be subject to all conditions and provisions of this Agreement including criminal record and central registry background checks when applicable. The Grantee shall be responsible for the performance of all assignees or subcontractors.

If subcontracting, the Grantee must obligate the subcontractors to maintain the confidentiality of DHS' client information in conformance with state and federal requirements. At DHS' request, any employee of the Grantee and of any subcontractor having access or continued access to DHS' confidential information

may be required to execute an acknowledgment that the employee has been advised of the Grantee's and the subcontractor's obligations under this section and of the employee's obligation to DHS, the Grantee or subcontractor, as the case may be, to protect such confidential information from unauthorized use or disclosure.

In the event that any of the terms contained herein conflict with the terms contained within any such subcontract with a third party, then the terms of this Agreement shall prevail. The subcontracts are not under the control of DHS and DHS is not responsible for the contents of any subcontracts, or any changes or updates to such subcontracts. DHS will not directly or indirectly be liable for any loss that may arise.

J. Disputes

The Grantee shall notify DHS in writing of intent to pursue a claim against DHS for breach of any terms of this Agreement. No suit may be commenced by the Grantee for breach of this Agreement prior to the expiration of 90 days from the date of such notification. Within this 90 day period, the Grantee, at the request of DHS, must meet with the Director of DHS or designee for the purpose of attempting resolution of the dispute.

K. Agreement Inclusiveness

This Agreement contains all the terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

L. Reporting of Retiree Employment

All other provisions of this Agreement notwithstanding, the Grantee shall provide written notification within 15 days of hiring to the DHS Office of Human Resources (HR) the name, social security number, and work site of any state of Michigan retiree under their employ. Failure to notify HR within the allotted time period may result in the disallowance of all costs related to this Agreement up the time the proper notification is received by HR.

M. Certifications Regarding Lobbying

As required by section 1352, Title 31 of the U.S. Code, and implemented at 28 CFR Part 69, for persons entering into a grant or cooperative agreement over \$100,000, as defined at 28 CFR Part 69, the Grantee certifies to the best of its knowledge, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any persons influencing or attempting to influence an officer or employee of any department, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with the making of any federal grant, the entering into of any cooperative

agreement, and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any department, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with this federal grant or cooperative agreement, the undersigned shall complete and submit Standard form – LLL, Disclosure of Lobbying Activities, in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, contracts under grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

N. Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The Grantee certifies to the best of its knowledge, that they and their principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of federal benefits by a state or federal court, or voluntarily excluded from covered transactions by any federal or state department or agency.
2. Have not within a three-year period preceding this Agreement been convicted of or had civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in 28 CFR 67, et sec.
4. Have not within a three-year period preceding this Agreement had one or more public transactions (federal, state or local) terminated for cause and default.

Where the parties are unable to certify to any of the statements in this certification, the Grantee shall attach an explanation to this Agreement.

The Grantee shall promptly notify DHS of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Grantee or any of the

Grantee's subcontractors, or any of the foregoing entities' then current officers or directors during the term of this Agreement and three years thereafter.

All notices shall be provided in writing to DHS within fifteen business days after the Grantee learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements, which are prevented from disclosure by the terms of the settlement, shall be annotated as such. However, the Grantee shall disclose if any terms of such settlement would impede the Grantee's performance of this Agreement. The Grantee may rely on similar good faith certifications of its subcontractors, which certification shall be available for inspection at the option of DHS.

The Grantee certifies to the best of its knowledge that within the past three years, the Grantee has not;

1. Failed to substantially perform a state contract or subcontract according to its terms, conditions, and specifications within specified time limits.
2. Refused to provide information or documents required by a contract including, but not limited to information or documents necessary for monitoring contract performance.
3. Failed to respond to requests for information regarding contract compliance, or accumulated repeated substantiated complaints regarding performance of a contract.
4. Failed to perform a state contract or subcontract in a manner consistent with any applicable state or federal law, rule, regulation, order, or decree.

The Grantee shall include Section O. (Certification Regarding Debarment, Suspension, and Other Responsibility Matters) language as written above in all subcontracts with other parties.

The Grantee shall require each primary subcontractor, whose subcontract will exceed \$25,000, to disclose to the Grantee, in writing, whether at of the time of the award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the State of Michigan. The Grantee shall then inform DHS of the subcontractor's status and reasons for the Grantee's decision to use such subcontractor, if the Grantee so decides.

If it is determined that the Grantee knowingly rendered an erroneous certification under this provision, in addition to the other remedies available to the state, DHS may immediately terminate this Agreement.

If the state finds that grounds to debar exist, it shall send notice to the Grantee of proposed debarment indicating the grounds for proposed debarment and the procedures for requesting a hearing. If the Grantee does not respond with a written request for a hearing within 20 calendar days, the state shall issue the decision to debar without a hearing. The debarment period may be of any length up to eight years. After the debarment period expires, the Grantee may reapply for inclusion on bidder lists through the regular application process by authority of Executive Order 2003-1.

By signing this Agreement, the Grantee hereby certifies to the best of its knowledge that no funds have been given to any state officer, official, or state employee for influencing or attempting to influence such officer, official, or employee of the state.

O. Governing Law (This provision is not applicable to “Private” agencies.)

This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the state of Michigan. Any dispute arising herein shall be resolved in the state of Michigan.

P. Severability (This provision is not applicable to “Private” agencies.)

Each provision of this Agreement shall be deemed to be severable from all other provisions of this Agreement and, if one or more of the provisions of this Agreement shall be declared invalid, the remaining provisions of this Agreement shall remain in full force and effect.

Q. Amendment

1. Federal or State Laws or Regulations

The Grantee shall, upon request of DHS and receipt of a proposed amendment, amend this Agreement, if and when required in the opinion of DHS, due to the revision of federal or state laws or regulations. If the Grantee refuses to sign such amendment within 15 days after receipt, this Agreement shall terminate upon such refusal. This Agreement may otherwise be amended only by the written consent of all the parties hereto.

2. Change Requests

The state reserves the right to request from time to time any changes to the requirements and specifications of this Agreement and the work to be performed by the Grantee under this Agreement. During the course of ordinary business, it may become necessary for the state to discontinue certain business practices or create additional services/deliverables. At a minimum, to the extent applicable, the date will require the Grantee to provide a detailed outline of all work to be done, including tasks necessary to accomplish the

services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Grantee does not so notify the state, the Grantee has no right to claim thereafter that it is entitled to additional compensation in accordance with this Agreement for performing that service or providing that deliverable.

Change Requests:

- a. By giving the Grantee written notice within a reasonable time, the state must be entitled to accept a Grantee proposal for change, to reject it, or to reach another agreement with Grantee. Should the parties agree on carrying out a change, a written amendment must be prepared and issued under this Agreement, describing the change and its effects on the services and any affected components of this Agreement.
- b. No proposed change must be performed until the proposed change has been specified in a duly executed amendment issued by DHS.
- c. If the state requests or directs the Grantee to perform any activities that Grantee believes constitute a change, the Grantee must notify the state that it believes the requested activities are a change before beginning to work on the requested activities. If the Grantee fails to notify the state before beginning to work on the requested activities, then the Grantee waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Grantee commences performing work outside the scope of this Agreement and then ceases performing that work, the Grantee must, at the request of the state, retract any out-of-scope work that would adversely affect this Agreement.

R. Options to Renew

At the discretion of DHS, an awarded Agreement may be renewed in writing by an amendment not less than 30 days before its expiration. The Agreement may be renewed for up to two additional one-year periods.

S. Notice and Right to Cure

If the Grantee breaches this Agreement, and DHS, in its sole discretion, determines that the breach is curable, then DHS must provide the Grantee with written notice of the breach and a time period (not less than 30 days) to cure the breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches of if DHS determines, in its soles discretion, that the breach poses a serious and imminent threat to the health and safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

T. Insurance Coverage (This provision is not applicable to “Public” agencies.)

The Grantee must provide current proof of the minimum levels of insurance coverage as indicated below. The insurance must protect DHS from claims which may arise out of or result from the Grantee’s performance of services under the terms of the grant, whether the services are performed by the Grantee, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Grantee waives all rights against DHS, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Grantee is required to maintain under the Agreement.

All insurance coverage’s provided relative to the Agreement are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the state.

The insurance must be written for not less than any minimum coverage specified in the Agreement or required by law, whichever is greater.

The insurers selected by the Grantee must have an A.M. Best rating of A or better, or as otherwise approved in writing by DHS, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in the Agreement must be issued by companies that have been approved to do business in the state. See www.michigan.gov/lara.

Where specific limits are shown, they are the minimum acceptable limits. If the Grantee’s policy contains higher limits, DHS must be entitled to coverage to the extent of the higher limits.

The Grantee is required to pay for and provide the following types and amounts of insurance:

a. Commercial General Liability with the following minimum coverage:

- \$2,000,000 General Aggregate Limit other than Products/Completed Operations
- \$2,000,000 Products/Completed Operations Aggregate Limit
- \$1,000,000 Personal & Advertising Injury Limit
- \$1,000,000 Each Occurrence Limit

The Grantee must list the state of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Grantee also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- b. If a motor vehicle is used to provide services or products under the Agreement, the Grantee must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Grantee's business for bodily injury and property damage as required by law.

The Grantee must list the state of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Grantee also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- c. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Grantee's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, the Grantee must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Grantee also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- d. Employers liability insurance with the following minimum limits:

- \$100,000 each accident
 - \$100,000 each employee by disease
 - \$500,000 aggregate disease

- e. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: \$1,000,000.00 each occurrence and \$1,000,000.00 annual aggregate.

Subcontractor Insurance Coverage

Except where DHS has approved in writing a Grantee subcontract with other insurance provisions, the Grantee must require all of its subcontractors under the Agreement to purchase and maintain the insurance coverage as described in this section for the Grantee in connection with the performance of work by those subcontractors. Alternatively, the Grantee may include any subcontractors under the Grantee's insurance on the coverage required in this section. Subcontractors must fully comply with the insurance coverage required in this section. Failure of subcontractors to comply with insurance requirements does not limit the Grantee's liability or responsibility.

Certificates of Insurance and Other Requirements (

The Grantee must furnish to the DHS Office of Logistics and Rate Setting (OLRS), certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. THE GRANT NUMBER MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. All Certificates are to be prepared and submitted by the insurance provider. All Certificates must contain a provision indicating that coverages afforded under the policies MUST NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of OLRs. The notice must include the Agreement number affected. Before the Agreement is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Grantee must provide evidence that DHS and its agents, officers and employees are listed as additional insureds under each commercial general liability. In the event DHS approves the representation of DHS by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the state of Michigan.

The Grantee must maintain all required insurance coverage throughout the term of the Agreement and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of the Agreement. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of the Grantee under the Agreement to any indemnified party or other persons. The Grantee is responsible for all deductibles with regard to the insurance. If the Grantee fails to pay any premium for required insurance as specified in the Agreement, or if any insurer cancels or significantly reduces any required insurance as specified in the Agreement without DHS's written consent, then DHS may, after DHS has given the Grantee at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. DHS may deduct any part of the cost from any payment due the Grantee, or the Grantee must pay that cost upon demand by DHS.

U. Liability (This provision is not applicable to “Public” agencies.)

The Grantee shall indemnify, save and hold harmless DHS against any and all expense and liability of any kind which DHS may sustain, incur or be required to pay arising out of this Agreement; provided, however, that the provisions of this paragraph shall not apply to liabilities or expenses caused by or resulting from the commission or omission of willful or negligent acts or omissions of DHS or any of its officers or employees. Further, in the event the Grantee becomes involved in or is threatened with litigation, the Grantee shall immediately notify DHS and DHS may enter into such litigation to protect the interest of DHS.

V. OTHER GRANTEE PROVISIONS

A. Open Meetings Act (Applicable to CAAs only.)

Grantees funded under this Agreement will abide by the Open Meetings Act; Act No. 267 of the Public Acts of 1976, as amended, being Sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date and place of the meeting shall be given in the manner required by Act. No. 267 of the Public Act of 1976, as amended.

B. Vacancies of Key Personnel (Applicable to CAAs only.)

The Grantee shall inform DHS of changes in key personnel, such as the executive director, financial director and program director. The Grantee shall provide an estimated date for filling such vacancies and shall notify DHS in writing when the vacancies have been filled.

C. Board Member Changes (Applicable to CAAs only.)

The Grantee shall inform DHS of changes in its Board, by updating the Board Pro section in FACSPRO (See CSPM Item 906), in the following instances:

- As part of the Grantee’s annual CSBG community action plan,
- Within 30 days following a change in the Chairperson/President, and
- Within 30 days following the Grantee’s annual elections.

D. Submission of Board Minutes (Applicable to CAAs only.)

The Grantee shall scan and upload a copy of all board meeting minutes into the Board Pro section in FACSPRO (See CSPM Item 906), within 30 days following board approval.

E. Community Services Policy Manual (DHS’ Programs - Program Policies)

The Grantee must maintain an up-to-date master copy of the DHS Community Services Policy Manual (CSPM) or have the on-line version accessible to staff on a regular basis and as updates are published. Updates are distributed to Grantees electronically and the on-line version of the CSPM can be accessed in FACSPRO and at the DHS public website at:

http://www.michigan.gov/dhs/0,1607,7-124-5452_45583_45584---.00.html

F. Financial Procedures Manual

The Grantee shall follow a written financial procedure manual, which has been approved by its governing board. The manual must be reviewed by the Grantee no less than annually. Such review shall be documented in the minutes of the governing board.

G. Pending Issues

The Grantee shall inform DHS of any and all pending or ongoing legal, administrative and investigative proceedings that have the possibilities of legal action on DHS administered funds. These proceedings include, but are not restricted to, actions by the Internal Revenue Service and the Michigan Employment Security Commission to secure delinquent taxes and local, state or federal investigations. The Grantee shall provide copies and enclosures of such legal documents at the time of submittal of service plan applications to DHS.

The Undersigned have the lawful authority to bind the Grantee to the terms set forth in this Agreement.

Washtenaw County Employment Training &
Community Services

Grantee

Signature of Director or Authorized Designee

Print Name

Date

DEPARTMENT OF HUMAN SERVICES

Signature of Director or Authorized Designee

Date

Agreement #:LIEAP13-81029