

DEPARTMENT OF STATE HEALTH SERVICES



TAUS CN: 25673

This contract, number 2016-048698 (Contract), is entered into by and between the Department of State Health Services (DSHS or the Department), an agency of the State of Texas, and THE UNIVERSITY OF TEXAS AT AUSTIN (Contractor), a Government Entity, (collectively, the Parties).

1. **Purpose of the Contract.** DSHS agrees to purchase, and Contractor agrees to provide, services or goods to the eligible populations as described in the Program Attachments.
2. **Total Amount of the Contract and Payment Method(s).** The total amount of this Contract is \$50,000.00, and the payment method(s) shall be as specified in the Program Attachments.
3. **Funding Obligation.** This Contract is contingent upon the continued availability of funding. If funds become unavailable through lack of appropriations, budget cuts, transfer of funds between programs or health and human services agencies, amendment to the Appropriations Act, health and human services agency consolidation, or any other disruptions of current appropriated funding for this Contract, DSHS may restrict, reduce, or terminate funding under this Contract.
4. **Term of the Contract.** This Contract begins on 01/01/2016 and ends on 08/31/2020. DSHS has the option, in its sole discretion, to renew the Contract as provided in each Program Attachment. DSHS is not responsible for payment under this Contract before both parties have signed the Contract or before the start date of the Contract, whichever is later.
5. **Authority.** DSHS enters into this Contract under the authority of Health and Safety Code, Section 12.051.
6. **Documents Forming Contract.** The Contract consists of the following:

- a. Core Contract (this document)
- b. Program Attachments:

2016-048698-001 HOME AND COMMUNITY BASED-ADULT MENTAL  
HEALTH Satisfaction Survey

- c. General Provisions (Vendor)
- d. Solicitation Document(s), and
- e. Contractor's response(s) to the Solicitation Document(s).
- f. Exhibits

Any changes made to the Contract, whether by edit or attachment, do not form part of the Contract unless expressly agreed to in writing by DSHS and Contractor and incorporated herein.

7. **Conflicting Terms.** In the event of conflicting terms among the documents forming this Contract, the order of control is first the Core Contract, then the Program Attachment(s), then the General Provisions, then the Solicitation Document, if any, and then Contractor's response to the Solicitation Document, if any.

8. **Payee.** The Parties agree that the following payee is entitled to receive payment for services rendered by Contractor or goods received under this Contract:

Name: THE UNIVERSITY OF TEXAS AT AUSTIN  
Address: DBA UNIVERSITY OF TEXAS UNIVER PO BOX 7159  
AUSTIN, TX 78713-159  
Vendor Identification Number: 37217217217012


9. **Entire Agreement.** The Parties acknowledge that this Contract is the entire agreement of the Parties and that there are no agreements or understandings, written or oral, between them with respect to the subject matter of this Contract, other than as set forth in this Contract.

By signing below, the Parties acknowledge that they have read the Contract and agree to its terms, and that the persons whose signatures appear below have the requisite authority to execute this Contract on behalf of the named party.

DEPARTMENT OF STATE HEALTH SERVICES

THE UNIVERSITY OF TEXAS AT AUSTIN

By:   
Signature of Authorized Official

By:   
Signature

FEB 09 2016  
Date

1/25/2016  
Date

Lauren Lacefield

Linda Shaunessy, Beer Contract  
Printed Name and Title

Assistant Commissioner for Mental Health  
and Substance Abuse

\_\_\_\_\_  
Address

1100 WEST 49TH STREET  
AUSTIN, TEXAS 78756

\_\_\_\_\_  
City, State, Zip

512.206.5968

\_\_\_\_\_  
Telephone Number

Lauren.Lacefieldlewis@dshs.state.tx.us

\_\_\_\_\_  
E-mail Address for Official Correspondence

CONTRACT NO. 2016-048698-  
PROGRAM ATTACHMENT NO. 001  
PURCHASE ORDER NO.

CONTRACTOR: THE UNIVERSITY OF TEXAS AT AUSTIN

DSHS PROGRAM: HOME AND COMMUNITY BASED-ADULT MENTAL HEALTH  
Satisfaction Survey

TERM: 09/01/2015 THRU: 08/31/2020

SECTION I. STATEMENT OF WORK:

The Home and Community Based Services – Adult Mental Health (HCBS-AMH) Program is administered by the Department of State Health Services (DSHS) under the executive direction of the Health and Human Services Commission (HHSC), the Medicaid agency in Texas. It is a statewide program that provides home and community-based services to adults that reside in state mental health facilities for extended periods of time despite no longer requiring an inpatient level of care. HCBS-AMH provides a number of services tailored to the individual's needs and emphasizes person-centered planning to assist a successful transition into the community of an individual's choosing. DSHS is establishing this contract with the Texas Institute for Excellence in Mental Health (TIEMH) to evaluate the satisfaction of program enrollees, recovery managers, service providers, and interdisciplinary team members with the HCBS-AMH program. TIEMH staff will utilize surveys and interviews to assess satisfaction and identify program strengths and areas of improvement and will submit a report of findings and recommendations to DSHS.

Contractor shall provide services to assess satisfaction with DSHS' HCBS-AMH program. The Contractor shall develop non-proprietary satisfaction survey tools to be used by DSHS at the discretion of DSHS and by the Contractor. The Contractor will assess enrollee satisfaction with the program through interviews that collect information on perceptions of service and service coordination, service providers and recovery managers, housing, self-direction and choice, and self-reported outcomes. The Contractor will assess provider (recovery managers, service providers and members of the interdisciplinary team) satisfaction and implementation of the program through surveys that collect information on continuity of care processes, assessment and approval processes, referral processes, enrollment processes, and service coordination. Quantitative and qualitative analysis will be conducted on a final dataset. A final report of findings will be prepared to inform programmatic improvements and broader dissemination of the program.

SECTION II. PERFORMANCE MEASURES:

A. SERVICE REQUIREMENTS

Contractor shall perform the following activities (tasks):

1. Contractor shall establish a process for secure data collection to ensure protection of data as required by state and federal laws and protect participant confidentiality by October 15, 2015. Procedures will specify: how participant responses will be managed confidentially; how data will be collected and analyzed; frequency of interaction with the participants (i.e. how many focus groups/interviews will be required of individuals, expected dates and length of interactions); and, names and credentials of all Contractor's staff that will be completing the tasks.
2. Contractor shall create and provide to DSHS a program enrollee interview protocol and provider survey instruments to assess satisfaction with the program by December 1, 2015. The enrollee interview shall assess satisfaction with: service and service coordination, service providers and recovery managers, housing, self-direction and choice, and self-reported outcomes. The provider (i.e. recovery managers, service providers and members of the interdisciplinary team) survey shall assess satisfaction and implementation of: continuity of care processes, assessment and approval processes, referral processes, enrollment processes, and service coordination.
3. Contractor shall develop provider surveys in a secure, web-based survey administrator (Qualtrics) and prepare participant panels for distribution by December 1, 2015.
4. Contractor shall administer the provider surveys in January and June 2016.
5. Contractor shall interview HCBS-AMH enrollees in January and June 2016 using the established protocol to determine satisfaction with service and service coordination, service providers and recovery managers, housing, self-direction and choice, and assess self-reported outcomes. Contractor will determine with DSHS the best method for sampling and scheduling enrollee interviews and prepare an interview schedule.
6. Contractor shall transfer data from Qualtrics to SPSS, review and clean data, conduct analysis, and present findings in March and August 2016.
7. Contractor shall create a final report of satisfaction findings by August 31, 2016 to include information as specified in this contract or as amended by the DSHS project director or their representative designee. The report will include report of enrollee satisfaction with service and service coordination, service providers and recovery managers, housing, self-direction and choice, and self-reported outcomes and provider satisfaction with continuity of care processes, assessment and approval processes, referral processes, enrollment processes, and service coordination. The final report will also include recommendations for further dissemination of the program. DSHS retains the sole authority in making the final determination regarding publication of the final report.

#### B. MEETINGS, CONFERENCE CALLS AND OTHER ACTIVITIES

Contractor shall:

1. Attend and participate when requested in DSHS project meetings in order to provide status updates and address any complications or barriers that might impact the timeline for project execution;
2. Participate in DSHS scheduled meetings with HCBS-AMH stakeholders when and if applicable to the project's execution.

D. Contractor shall submit all reports, documentation, and other information required of Contractor electronically to the [mhcontracts@dshs.state.tx.us](mailto:mhcontracts@dshs.state.tx.us) email address, as well as to the assigned DSHS Contract Manager and the DSHS Project Manager. If DSHS determines Contractor

needs to submit deliverables by mail or fax, Contractor shall send the required information to one of the following addresses:

**U.S. Postal Mail**

Department of State Health Services  
Mental Health Contracts Management Unit (Mail Code 2058)  
P. O. Box 149347  
Austin, TX 78714-9347

**Overnight Mail**

Department of State Health Services  
Mental Health Contracts Management Unit (Mail Code 2058)  
909 West 45<sup>th</sup> Street, Bldg. 552  
Austin, TX 78751

Fax: (512) 206-5307

**SECTION III. SOLICITATION DOCUMENT:**

Exempt-Government Entity

**SECTION IV. RENEWALS:**

N/A

**SECTION V. PAYMENT METHOD:**

Deliverable

**SECTION VI. BILLING INSTRUCTIONS:**

Contractor shall submit expenditures no later than the 10 to 15 days after the close of each service period. Contractor shall request payment using the State of Texas Purchase Voucher (Form B-13), which can be downloaded at <http://www.dshs.state.tx.us/grants/forms.shtm>. When required by the Program Attachment, supporting documentation for reimbursement of the services/deliverables shall also be submitted.

At a minimum, invoices shall include:

1. Name, address, and telephone number of Contractor;
2. DSHS Contract or Purchase Order Number;
3. Identification of service(s) provided;
4. Dates services were delivered;
5. Name of the person performing the activities;
6. Total invoice amount;

7. Any additional supporting documentation which is required by this Program Attachment or as requested by DSHS.

Contractor shall electronically submit all invoices with supporting documentation to the Claims Processing Unit at [invoices@dshs.state.tx.us](mailto:invoices@dshs.state.tx.us) with a copy to [mhcontracts@dshs.state.tx.us](mailto:mhcontracts@dshs.state.tx.us) and the DSHS Project Manager. Alternative submission arrangements must be approved by the assigned DSHS Contract Manager

**SECTION VII. BUDGET:**

DSHS will pay Contractor for charges determined in accordance with the terms and conditions of this Program Attachment. Funds identified as dedicated to training will not be used to pay for administrative fees, including salaries, cost of living increases, supplies etc.

**Deliverables**

Task	Detail	Price of Deliverable
Develop procedures for secure data collection	No later than October 15, 2015, Contractor shall distribute to the DSHS HCBSAMH Team, the written procedures for collection of data.	\$500.00
Create provider surveys and program enrollee interview protocol	Contractor shall deliver a program enrollee interview protocol by December 1, 2015. Contractor shall deliver provider surveys by December 1, 2015.	\$5,000.00
Surveys developed in online survey administration tool	Contractor shall prepare the provider survey and panels in the secure, web based Qualtrics survey administration tool by December 1, 2015.	\$1,500.00
Survey administration	Contractor shall administer online surveys of recovery managers, service providers and the	Not to exceed \$4,000 each time point. \$8,000

	interdisciplinary team at two time points, in January and June 2016.	
Conduct enrollee interviews	Contractor shall schedule and interview a sample of HCBS-AMH enrollees at two time points, in January and June 2016.	Costs associated with interviews not to exceed \$1,000 per day (including staff time, lodging, transportation, and per diem). \$24,000
Survey analysis and presentation of findings	Contractor shall analyze survey and interview data and present findings to DSHS staff by March and August 2016. Not to exceed \$3,500 each time point.	\$7,000
Prepare and submit final report	No later than August 31, 2016, Contractor shall submit a final report of program enrollee and provider satisfaction with the HCBS-AMH program in a format suitable for printing or publishing online.	\$4,000

Total reimbursements for state fiscal year 2016 will not exceed: \$

Total reimbursements will not exceed \$50,000.00

Funding for subsequent fiscal years will be added on or before September 1st of each year and is contingent on the availability of state funds from DSHS. State fiscal years are defined as September 1st through August 31st.

At the conclusion of each state fiscal year, August 31st, Contractor shall submit invoices for reimbursement of expenditures no later than October 31st, for goods received and services rendered. Invoices received after October 31st, for the prior state fiscal year services may not be paid.

SOURCE OF FUNDS: CFDA #: State



SECTION VIII. SPECIAL PROVISIONS:  
The General Provisions are revised as follows:

**Section 2.01, Compliance with General Provisions, Statutes and Rules**, of General Provisions **ARTICLE II, COMPLIANCE AND REPORTING**, is modified by adding the following sentence to the end of this provision:

Contractor shall comply with all the terms of the Contract not otherwise prohibited by law or the Constitution of the State of Texas.

**Section 2.06, Applicable Laws and Regulations Regarding Funding Sources**, of General Provisions **ARTICLE II, COMPLIANCE AND REPORTING**, is replaced with the following:

Where applicable, federal statutes and regulations, including federal grant requirements applicable to funding sources, shall apply to this Contract. Contractor agrees to comply with applicable laws, executive orders, regulations and policies as well as Office of Management and Budget (OMB) Circulars. In accordance with Section 783.003(4) of the Texas Government Code, the Uniform Grant and Contract Management Act (UGMA) and the Uniform Grant Management Standards (UGMS) are not applicable to Contractor in this Contract. If this Contract is funded with block grant funds, however, the UGMA and UGMS are applicable to Contractor.

**Section 23.03 b., Program Income**, of the Subrecipient Additional Provisions **ARTICLE XXIII PROGRAM FUNDS AND PAYMENTS**, is hereby modified by adding conditioning language so that it reads as follows:

Unless otherwise required under the terms of the grant funding this Contract, the addition alternative, as provided in OMB Circular A-110 § \_\_.24, for the use of program income shall be used by Contractor to further the program objectives of the state or federal statute under which the Program Attachment was made, and it shall be spent on the same Program Attachment project in which it was generated in accordance with OMB Circular.

**Section 5.02, Invoice/Billing Submission**, of General Provisions **ARTICLE V, PAYMENT METHODS AND RESTRICTIONS**, is hereby modified so that it reads as follows:

Contractor shall bill the Department in accordance with the Program Attachment, except that Contractor may invoice for payment using Contractor's form and format. Contractor shall maintain all documentation that substantiates billing submissions and make the documentation available to DSHS upon request.

**Section 23.06, Financial Status Reports (FSRs)**, of Subrecipient Additional Provisions **ARTICLE XXIII PROGRAM FUNDS AND PAYMENTS**, is modified as follows:

Contractor shall electronically submit FSRs using the Form 269a, which can be downloaded

at <http://www.dshs.state.tx.us/grants/forms.shtm> to the Claims Processing Unit at [invoices@dshs.state.tx.us](mailto:invoices@dshs.state.tx.us) with a copy to [mhcontracts@dshs.state.tx.us](mailto:mhcontracts@dshs.state.tx.us) no later than the following dates: 12/31/2015, 3/31/2016, 6/30/2016, and 10/31/2016.

**Section 21.06, Responsibilities and Restrictions Concerning Governing Body, Officers and Employees**, of Suprecipient Additional Provisions, **ARTICLE XXI, PROGRAM OPERATIONS**, is hereby deleted.

**Section 23.09 b., Management and Control Systems**, of Suprecipient Additional Provisions **ARTICLE XXIII PROGRAM FUNDS AND PAYMENTS**, is modified so that it reads as follows:

Contractor shall develop, implement, and maintain financial management and control systems in accordance with OMB Circulars A-21 and A-110 and adhere to procedures detailed in Department's Contractor's Financial Procedures Manual available at the Department's web site: <http://www.dshs.state.tx.us/contracts>.

**Section 21.04, Quality Management**, of Suprecipient Additional Provisions **ARTICLE XXI, PROGRAM OPERATIONS**, is replaced with the following:

Contractor shall comply with quality management requirements as may be specified in this Contract or agreed to in writing by both parties.

**Section 26.04 b., Disposition of Property**, of Suprecipient Additional Provisions, **ARTICLE XXVI, GENERAL TERMINATION, BANKRUPTCY AND CLOSEOUT**, is hereby modified as follows:

"UGMS" is replaced with "applicable OMB Circulars

**Section 14.05, Intellectual Property**, of General Provisions **ARTICLE XIV, GENERAL TERMS**, paragraphs (b) – (e) are hereby deleted and replaced with the following:

(b) For purposes of this Contract "work made for hire" is intellectual property prepared for DSHS use, or a work specially ordered or commissioned through a contract for DSHS use. Contractor shall own any intellectual property developed as a result of this Contract.

In the event that a patentable invention is made by either party in connection with the activities or work to be performed under this Contract, Contractor and DSHS agree to give notice of such patentable invention to each other promptly after identification thereof. Within thirty (30) days of receipt of notice that a patentable invention has been identified, Contractor and DSHS will thereupon exert their best reasonable efforts in cooperation with each other to investigate, evaluate and determine to the mutual satisfaction of both parties, the disposition of rights to the patentable invention, including whether, by whom, and where any patent applications are to be filed.

(e) If the results of the contract performance are subject to copyright law, and notwithstanding Contractor's ownership of any intellectual property developed as a result of this Contract, the Contractor cannot publish those results without prior review and comment of DSHS. Contractor shall

submit requests for review and comment to the Division Contract Management Unit assigned to the Contract. DSHS will have sixty (60) days to review the proposed publication and provide Contractor with comments in writing. Contractor agrees to duly consider and make every reasonable effort to incorporate all comments and make any factual corrections noted by DSHS. Contractor will submit the proposed publication again to the Division Contract Management Unit assigned to the Contract for final review and comment prior to publication. DSHS has thirty (30) days from re-submission to issue written concurrence with the proposed publication. If DSHS has further comment, both parties will elect an individual and negotiate a reasonable time and place to meet and mediate between the parties. Contractor and DSHS agree to negotiate in good faith.

DSHS may, at its discretion, require Contractor to attach the following disclaimer in at least 12-point standard, bold font when releasing the publication. "This material is based upon work supported by the Department of State Health Services under Contract No. \_\_\_\_\_. Opinions or points of view expressed in this document are those of the authors and do not in anyway reflect the official position of, or a position that is endorsed by, the Department of State Health Services."

**Section 14.19, Electronic and Information Resources Accessibility and Security Standards**, of General Provisions **ARTICLE XIV, GENERAL TERMS**, is hereby modified with respect to the following items:

(d) Representations and Certifications.

1. Contractor represents and certifies that (i) as of the effective date of the Contract, the Products and associated documentation and technical support comply with the Accessibility Standards as they exist at the time of entering the Contract, unless and to the extent the Parties otherwise expressly agree in writing; and (ii) if the Products will be in the custody of the state or a DSHS client after the Contract expiration or termination, the Products will continue to comply with such Accessibility Standards after the expiration or termination of the Contract term, unless DSHS and/or client, as applicable, uses the Products in a manner that renders it noncompliant.
2. In the event Contractor should have known, becomes aware, or is notified that the Product and associated documentation and technical support do not comply with the Accessibility Standards, Contractor represents and certifies that it will, in a timely manner and at no cost to DSHS, perform all necessary steps to satisfy the Accessibility Standards, including but not limited to remediation, replacement, and upgrading of the Product, or providing a suitable substitute.
3. Contractor acknowledges and agrees that these representations and certifications are essential inducements on which DSHS relies in awarding this Contract.
4. Contractor's representations and certifications under this subsection will survive the termination or expiration of the Contract and will remain in full force and effect throughout the useful life of the Product.

(g) In accordance with Section 15.21(e)1(i) above, the parties hereby agree and

acknowledge that Contractor will not be providing technical support after the conclusion of this Agreement. Any deliverables hereunder are provided “As-is” without representations or warranties, express or implied, including but not limited to, the marketability, use or fitness for any particular purpose of the results developed pursuant to this agreement. Further, it is understood that Contractor shall not be liable for special, consequential, or incidental damages, to the extent allowed by law, as a result of Department or DHHS use of any technical report, deliverable, or results provided under this agreement.

**General Provisions, Article XV, Breach of Contract and Remedies for Non-Compliance,**  
Section 15.02 General Remedies and Sanctions amended to revise as follows:

The Department will monitor Contractor for both programmatic and financial compliance. The remedies and sanctions in this section are available to the Department against Contractor and any entity that subcontracts with Contractor for provision of services or goods. HHSC OIG may investigate, audit and impose or recommend imposition of remedies or sanctions to Department for any breach of this Contract and may monitor Contractor for financial compliance. The Department may impose one or more remedies or sanctions for each item of noncompliance and will determine remedies or sanctions on a case-by-case basis. Contractor is responsible for complying with all of the terms of this Contract. The listing of or use of one or more of the remedies or sanctions in this section does not relieve Contractor of any obligations under this Contract. A state or federal statute, rule or regulation, or federal guideline will prevail over the provisions of this Article unless the statute, rule, regulation, or guideline can be read together with the provision(s) of this Article to give effect to both. If Contractor breaches this Contract by failing to comply with one or more of the terms of this Contract, including but not limited to compliance with applicable statutes, rules or regulations, the Department may take one or more of the following actions unless compliance with the sanction(s) by Contractor is prohibited by law:

- a) terminate this Contract or a Program Attachment of this Contract as it relates to a specific program type. In the case of termination, the Department will inform Contractor of the termination no less than thirty (30) calendar days before the effective date of the termination in a notice of termination, except for circumstances that require immediate termination as described in the Emergency Action section of this Article. The notice of termination will state the effective date of the termination, the reasons for the termination, and, if applicable, alert Contractor of the opportunity to request a hearing on the termination pursuant to Tex. Gov. Code Chapter 2105 regarding administration of Block Grants. Contractor shall not make any claim for payment or reimbursement for services provided from the effective date of termination;
- b) suspend all or part of this Contract. Suspension is an action taken by the Department in which the Contractor is notified to temporarily (1) discontinue performance of all or part of the Contract, and/or (2) discontinue incurring expenses otherwise allowable under the Contract as of the effective date of the suspension, pending DSHS’s determination to terminate or amend the Contract or permit the Contractor to resume performance and/or incur allowable expenses. Contractor shall not bill DSHS for services performed during suspension, and Contractor’s costs resulting from obligations incurred by Contractor

during a suspension are not allowable unless expressly authorized by the notice of suspension;

- c) deny additional or future contracts with Contractor;
- d) reduce the funding amount for failure to 1) provide goods and services as described in this Contract or consistent with Contract performance expectations, 2) achieve or maintain the proposed level of service, 3) expend funds appropriately and at a rate that will make full use of the award, or 4) achieve local match, if required; and
- e) disallow costs and credit for matching funds, if any, for all or part of the activities or action not in compliance.

General Provisions, Article XV, Breach of Contract and Remedies for Non-Compliance, Section 15.03 Notice of Remedies or Sanctions is amended as follows:

Department will formally notify Contractor in writing when a remedy or sanction is imposed (with the exception of accelerated monitoring, which may be unannounced), stating the nature of the remedies and sanction(s), the reasons for imposing them, the corrective actions, if any, that must be taken before the actions will be removed and the time allowed for completing the corrective actions, and the method, if any, of requesting reconsideration of the remedies and sanctions imposed. Other than in the case of repayment or recoupment, Contractor is required to file, within ~~fifteen (15)~~ ten (10) calendar days of receipt of notice, a written response to Department acknowledging receipt of such notice. If requested by the Department, the written response must state how Contractor shall correct the noncompliance (corrective action plan) or demonstrate in writing that the findings on which the remedies or sanction(s) are based are either invalid or do not warrant the remedies or sanction(s). If Department determines that a remedy or sanction is warranted, unless the remedy or sanction is subject to review under a federal or state statute, regulation, rule, or guideline, Department's decision is final. Department will provide written notice to Contractor of Department's decision. If required by the Department, Contractor shall submit a corrective action plan for DSHS approval and take corrective action as stated in the approved corrective action plan. If DSHS determines that repayment is warranted, DSHS will issue a demand letter to Contractor for repayment. If full repayment is not received within the time limit stated in the demand letter, and if recoupment is available, DSHS will recoup the amount due to DSHS from funds otherwise due to Contractor under this Contract.

General Provisions, Article XVI, Breach of Contract and Remedies for Non-Compliance, Section 15.04 Emergency Action is deleted and replaced as follows:

#### Section 15.04 Contractor Monitoring

##### a) Contract Monitoring.

DSHS will monitor Contractor for programmatic and financial compliance with this Contract. DSHS may place Contractor on accelerated monitoring, which means more frequent or more extensive monitoring than ordinarily conducted by DSHS. DSHS may allow the Contractor the opportunity to correct identified deficiencies prior to imposing actions stated in this section.

b) Contractor Repayment.

DSHS may withhold any payments to Contractor to satisfy any recoupment imposed by DSHS under this Article. DSHS may take repayment from funds available under this Contract, active or expired, or any subsequent renewal, in amounts necessary to fulfill Contractor's repayment obligations.

General Provisions, Article XV, Breach of Contract and Remedies for Non-Compliance, Section 15.04 Emergency Action is renumbered to Section 15.05 Emergency Action.

Section 15.05 Emergency Action.

In an emergency, Department may immediately terminate or suspend all or part of this Contract, temporarily or permanently withhold cash payments, deny future contract awards, or delay contract execution by delivering written notice to Contractor, by any verifiable method, stating the reason for the emergency action. An "emergency" is defined as the following:

- a) Contractor is noncompliant and the noncompliance has a direct adverse effect on the public or client health, welfare or safety. The direct adverse effect may be programmatic or financial and may include failing to provide services, providing inadequate services, providing unnecessary services, or using resources so that the public or clients do not receive the benefits contemplated by the scope of work or performance measures; or
- b) Contractor is expending funds inappropriately.

Whether Contractor's conduct or noncompliance is an emergency will be determined by Department on a case-by-case basis and will be based upon the nature of the noncompliance or conduct.

**Section 1902, Administrative Offset**, of General Provisions **ARTICLE XIX, CLOSEOUT**, is replaced with the following:

The Department shall have the right to administratively offset amounts owed by Contractor under this Contract against billings under this Contract.