DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

SIGNATURE DOCUMENT
HEALTH AND HUMAN SERVICES COMMISSION GRANT AGREEMENT
CONTRACT NO. HHS001040100028
UNDER THE
SUBSTANCE USE DISORDER TREATMENT
FOR TREATMENT FOR FEMALES (SA/TRF) GRANT PROGRAM

The Parties to this agreement ("Grant Agreement" or "Contract") are the Health and Human Services Commission ("HHSC" or "System Agency"), a pass-through entity, and Collin County MHMR Center dba Lifepath Systems ("Grantee"), having its principal office at 1515 Heritage Drive, Suite 105, McKinney, Texas 75069 (each a "Party" and collectively the "Parties").

I. PURPOSE

The purpose of this Grant Agreement is to provide services to provide funding that will support the services that Grantee delivers under the Substance Use Disorder Services for Treatment for Females (SA/TRF) Program.

II. LEGAL AUTHORITY

This Grant Agreement is entered into pursuant to Texas Government Code, Sections 531.002 and 531.039.

III. DURATION

This Grant Agreement is effective on August 1, 2022 and terminates on August 31, 2023, unless renewed, extended, or terminated pursuant to the terms and conditions of the Grant Agreement.

A. The Parties acknowledge and agree that their mutual intent is for performance to begin under this Grant Agreement on August 1, 2022.

B. This Grant Agreement memorializes the intent of the Parties, and the Parties agree that a later signature date does not prevent Grantee from continuing to perform services and activities or requesting reimbursement under the Grant Agreement.

C. All terms and conditions of this Grant Agreement shall apply from August 1, 2022 through the date on which the last Party signs the Agreement; and all activities conducted, or expenses incurred, under the Agreement within that period are hereby ratified.

HHSC, at its sole discretion, may extend this Grant Agreement for any period(s) of time, provided the Grant Agreement term, including all extensions or renewals, does not exceed five years. Notwithstanding the limitation in the preceding sentence, HHSC, at its sole discretion, also may extend the Grant Agreement beyond five years as necessary to ensure continuity of service, for purposes of transition, or as otherwise determined by HHSC to serve the best interest of the State.

IV. STATEMENT OF WORK

The Statement of Work to which Grantee is bound is incorporated into and made a part of this Grant Agreement for all purposes and included as Attachments A, A-Sup 1, and A-Sup 2.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

V. BUDGET

The total amount of this Grant Agreement is not to exceed $62,659.00. This includes HHSC's share of $62,659.00 and Grantee's required match amount of 0.00.

A. The total not-to-exceed amount includes the following:
  1. Total Federal Funds: $62,659.00; and
  2. Total State Funds: $0.00

B. All expenditures under the Grant Agreement must be in accordance with Attachment B, Program Services and Unit Rates.

VI. REPORTING REQUIREMENTS

Grantee shall submit the following reports:

REPORT	FREQUENCY	DUE DATE	DELIVERY METHOD
Claims in CMBHS	Monthly	All claims must be entered by the 15th day of the month following the end of each calendar month	CMBHS
CMBHS Security Attestation form	Semi-Annually: The initial is form due 15 days from effective date the Grant Agreement.	• Base year: August 15th • Successive fiscal years: September 15th and March 15th	GlobalScape
Quality Management and Oversight – Monitoring Schedule	Quarterly	5th business day following the end of each quarter of the contractual term	GlobalScape
Quality Management and Oversight – Monitoring Activity Report	Quarterly	30 calendar days following the end of the quarter of the contractual term	GlobalScape
Annual Closeout Documents	45 days from the end of each fiscal year	October 15th	Globalscape

VII. CONTRACT REPRESENTATIVES

The following persons will act as the representative authorized to administer activities under this Grant Agreement on behalf of their respective Party.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

HHSC	**Grantee**
Marcellus Crayton	Tammy Mahan
Health and Human Services Commission	Collin County MHMR Center
Substance Use Disorder Contract Management Unit	dba Lifepath Systems
909 W 45th Street, Bldg. 555 (MC 2058)	515 Heritage Drive, Suite 105
Austin, Texas 78751	McKinney, Texas 78069
E-mail: Marcellus.Crayton@hhs.texas.gov	E-mail: tmahan@lifepathsystems.org

VIII. NOTICE REQUIREMENTS

A. All notices given by Grantee shall be in writing, include the Grant Agreement Contract No., comply with all terms and conditions of the Grant Agreement, and be delivered to HHSC's Contract Representative identified above.

B. Grantee shall send legal notices to HHSC at the address below and provide a copy to HHSC's Contract Representative:

Health and Human Services Commission
Attention: Office of Chief Counsel
4601 W. Guadalupe, Mail Code 1100
Austin, Texas 78751

C. Notices given by HHSC to Grantee may be e-mailed, mailed or sent by common carrier. E-mail notices shall be deemed delivered when sent by HHSC. Notices sent by mail shall be deemed delivered when deposited by HHSC in the United States mail, postage paid, certified, return receipt requested. Notices sent by common carrier shall be deemed delivered when deposited by HHSC with a common carrier, overnight, signature required.

D. Notices given by Grantee to HHSC shall be deemed delivered when received by HHSC.

E. Either Party may change its Contract Representative or designated contact for legal notices by providing written notice to the other Party.

IX. FEDERAL AWARD INFORMATION

A. Grantee's Data Universal Numbering System (DUNS) Number is: 161443783

B. Federal funding under this Grant Agreement is a subaward under the following federal award(s):

1. Federal Award Identification Number (FAIN): B08TI083545

a. Assistance Listings Title, Number, and Dollar Amount: Substance Abuse Prevention and Treatment Block Grant – 1B08TI083545-01 – $135,636,613.00 Assistance Listing Number- 93.959

b. Federal Award Date: March 15, 2021

c. Federal Award Period: March 11, 2021 through March 14, 2023

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

d. Name of Federal Awarding Agency: The U.S. Department of Health and Human Services (HHS), Substance Abuse and Mental Health Services Administration (SAMHSA)

e. Federal Award Project Description: Substance Abuse Prevention & Treatment Block Grant

f. Awarding Official Contact Information:
Wendy Pang, Grants Specialist
Contact Telephone No.: (240) 276-1419
Facsimile No.: (240) 276-1430
Email: Wendy.Pang@samhsa.hhs.gov

g. Total Amount of Federal Funds Awarded to HHSC: $135,636,613.00

h. Amount of Funds Awarded to Grantee: $62,659.00

i. Identification of Whether the Award is for Research and Development: No

2. Federal Award Identification Number (FAIN): B08TI083969

a. Assistance Listings Title, Number, and Dollar Amount: Substance Abuse Prevention and Treatment Block Grant – 1B08TI083969-01 – $117,140,711.00 Assistance Listing Number- 93.959

b. Federal Award Date: September 1, 2021

c. Federal Award Period: September 1, 2021 through September 30, 2025

d. Name of Federal Awarding Agency: The U.S. Department of Health and Human Services (HHS), Substance Abuse and Mental Health Services Administration (SAMHSA)

e. Federal Award Project Description: Substance Abuse Prevention & Treatment Block Grant

f. Awarding Official Contact Information:
Wendy Pang, Grants Specialist
Contact Telephone No.: (240) 276-1419
Facsimile No.: (240) 276-1430
Email: Wendy.Pang@samhsa.hhs.gov

g. Total Amount of Federal Funds Awarded to HHSC: $117,140,711.00

h. Amount of Funds Awarded to Grantee: $62,659.00

i. Identification of Whether the Award is for Research and Development: No

X. CONTRACTUAL DOCUMENTS

The following documents are incorporated by reference and made a part of this Grant Agreement for all purposes.

Unless expressly stated otherwise in this Grant Agreement, in the event of conflict, ambiguity or inconsistency between or among any documents, all HHSC documents take precedence over

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

Grantee's documents and the HHS Data Use Agreement takes precedence over all other contractual documents.

ATTACHMENT A	**Statement of Work**
ATTACHMENT A-SUP 1	**Statement of Work Supplemental**
ATTACHMENT A-SUP 2	**Substance Abuse Block Grant (SABG) Supplemental Statement of Work**
ATTACHMENT B	**Program Services and Unit Rates**
ATTACHMENT C	**Health and Human Services (HHS) Contract Affirmations (Version 2.2)**
ATTACHMENT D	**HHS Uniform Terms and Conditions (Grant, Version 3.2)**
ATTACHMENT E	**Special Conditions (Version 1.3)**
ATTACHMENT F	**HHS Data Use Agreement (Community Center (LMHA, LA, LIDDA, Version 8.5), *including* Attachment 2: Security and Privacy Inquiry (SPI))**
ATTACHMENT G	**[Federal] Assurances (Non-construction Programs)**
ATTACHMENT H	**[Federal] Certification Regarding Lobbying**
ATTACHMENT I	**Federal Funding Accountability and Transparency Act (FFATA) Certification Form**

XI. SIGNATURE AUTHORITY

Each Party represents and warrants that the person executing this Grant Agreement on its behalf has full power and authority to enter into this Grant Agreement. Any services or work performed by Grantee before this Grant Agreement is effective or after it ceases to be effective are performed at the sole risk of Grantee.

Signature Page Follows

Remainder of page intentionally left blank

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

SIGNATURE PAGE FOR GRANT AGREEMENT

CONTRACT NO. HHS001040100028

HEALTH AND HUMAN SERVICES COMMISSION

By: DocuSigned by: Trina Ita 2A511CE2A99E415...

Signature of Authorized Representative

Trina Ita
Deputy Executive Commissioner

August 1, 2022

Date of Signature

COLLIN COUNTY MHMR CENTER dba Lifepath Systems

By: DocuSigned by: Tammy Mahan C0C2602E1EE2441...

Signature of Authorized Representative

Tammy Mahan
Chief Executive Officer

August 1, 2022

Date of Signature

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ATTACHMENT A
STATEMENT OF WORK

TREATMENT FOR FEMALES

SECTION I: PURPOSE

Grantee shall provide substance use disorder treatment services to the target population at one or more of the service types/levels of care listed below in Section II of this Attachment. The service types/levels of care are based on Texas Administrative Code (TAC) requirements, as referenced in the Substance Use Disorder (SUD) Program Guide, located at the following link: https://hhs.texas.gov/doing-business-hhs/provider-portals/behavioral-health-services-providers/substance-use-disorder-service-providers, and American Society of Addiction Medicine (ASAM) criteria located at the following link: https://www.asam.org/asam-criteria/about, which is a collection of objective guidelines that give clinicians a standardized approach to admission and treatment planning.

SECTION II: TARGET POPULATION

A. TREATMENT FOR FEMALES (TRF)

Adult pregnant women and women with Dependent Children (including women whose children are in custody of the State) who meet *Client Eligibility* for HHSC-funded substance use disorder services as stated in the HHSC Substance Use Disorder (SUD) Program Guide.

1. Outpatient Treatment Services
   (ASAM Level 1 Outpatient Services)
2. Supportive Residential Treatment Services
   (ASAM Level 3.1 Clinically Managed Low-Intensity Residential Services)
3. Intensive Residential Treatment Services
   (ASAM Level 3.5 Clinically Managed High-Intensity Residential Services)
4. Residential Detoxification Services
   (ASAM Level 3.7 Medically Monitored Withdrawal Services)
5. Ambulatory Detoxification Services
   (ASAM Level 2 Withdrawal Management)

B. TREATMENT FOR WOMEN AND CHLDREN

Adult pregnant women and women with Dependent Children (including women whose children are in custody of the State) who meet *Client Eligibility* for HHSC-funded substance use disorder services as stated in the HHSC Substance Use Disorder (SUD) Program Guide. Clients being admitted into Women and Children's treatment facilities must meet at least one (1) of the following criteria:

1. Be in the third trimester of her pregnancy; and/or
2. Have at least one (1) child physically residing overnight with her in the facility; and/or
3. Have a referral by Department of Family and Protective Services (DFPS).

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

4. Note: DFPS will not allow at least one (1) child to initially reside overnight but DFPS plans to place the child in the facility within the first thirty (30) Service Days of treatment.
   i. Women and Children's Intensive Residential Services
   (ASAM Level 3.5 Clinically Managed High-Intensity Residential Services)
   ii. Women and Children's Supportive Residential Services
   (ASAM Level 3.1 Clinically Managed Low-Intensity Residential Services)

SECTION III: SERVICE REQUIREMENTS

Grantee shall:

A. **Administrative Requirements**

1. Adhere to the most current SUD Program Guide.
2. Provide age-appropriate medical and psychological therapeutic services designed to treat an individual's SUD and restore functions while promoting Recovery.
3. Adhere to Level of Care/Service Type licensure requirements.
4. Comply with all applicable TAC rules adopted by HHSC related to SUD treatment.
5. Document all specified required activities and services in the Clinical Management of Behavioral Health Services (CMBHS) system. Documents that require Client or staff signature shall be maintained according to TAC requirements and made available to HHSC for review upon request.
6. In addition to TAC and SUD Program Guide required Policies and Procedures, Grantee shall develop and implement organizational policies and procedures for:
   i. A marketing plan to engage local referral sources and provide information to these sources regarding the availability of SUD treatment and the Client Eligibility criteria for admissions;
   ii. All marketing materials published shall include Priority Populations for Treatment Programs admissions;
   iii. Client Retention in services, including protocols for addressing Clients absent from treatment and policies defining treatment non-compliance; and
   iv. All policies and procedures shall be provided to HHSC upon request.
7. Ensure that Program Directors participate in their specific Program and service type conference calls as scheduled by HHSC. Program Directors shall participate unless otherwise agreed to by HHSC in writing. Grantee executive management may participate in the conference calls.
8. Actively attend and share representative knowledge about Grantee's system and services at the Outreach, Screening, Assessment, and Referrals (OSAR) quarterly regional collaborative meetings.
9. Ensure compliance with *Client Eligibility* requirements to include: Texas residence eligibility, Financial Eligibility and clinical eligibility as specified in SUD Program Guide.
10. Document a Life Event Note in CMBHS upon active Client's delivery of newborn.
11. Grantee will develop a local agreement with DFPS local offices to address referral process, coordination of services, and sharing of information as allowed per the consent and agreement form.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

12. Adhere to *Memorandum of Understanding* requirements as stated in the SUD Program Guide.
13. Maintain a list of community resources and document referrals when appropriate to ensure that children of the client have access to services to address their needs and support healthy development including primary pediatric care, early childhood intervention services, and other therapeutic interventions that address the children's development needs and any issues of abuse and neglect.

B. **Service Delivery**

Grantee shall:

1. Adhere to the *Priority Populations for Treatment Programs* as stated in the SUD Program Guide.
2. Maintain *Daily Capacity Management Report* in CMBHS as required in the SUD Program Guide.
3. Maintain a *Waiting List* to track all eligible individuals who have been screened but cannot be admitted to SUD treatment immediately.
   i. Grantee that has an individual identified as a federal and State priority population on the waiting list shall confirm this in the Daily Capacity Management Report.
   ii. Grantee shall arrange for appropriate services in another treatment facility or provide access to interim services as indicated within forty-eight (48) hours when efforts to refer to other appropriate services are exhausted.
   iii. Grantee shall offer directly or through referral interim services to waitlisted individuals.
   iv. Establish a wait list that includes priority populations and interim services while awaiting admission to treatment services.
   v. Develop a mechanism for maintaining contact with individuals awaiting admission.
4. If unable to provide admissions to individuals within Priority Populations for Treatment Programs according to SUD Program Guide:
   i. Implement written procedures that address maintaining weekly contact with individuals waiting for admissions as well as what referrals are made when a Client cannot be admitted for services immediately.
   ii. When Grantee cannot admit a Client, who is at risk for dangerous withdrawal, Grantee shall ensure that an emergency medical care provider is notified.
   iii. Coordinate with an alternate provider for immediate admission.
   iv. Notify HHSC programs (texasccbhcinitiative@hhsc.state.tx.us) so that assistance can be provided that ensures immediate admission to other appropriate services and proper coordination when appropriate.
   v. Provide pre-admission service coordination to reduce barriers to treatment, enhance motivation, stabilize life situations, and facilitate engagement in treatment.
   vi. Adhere to *Informed Consent Document for Opioid Use Disorder* applicable to individual as stated in the SUD Program Guide.
   vii. When an individual is placed on the Wait List, Grantee shall document interim services as referrals that provides applicable testing, counseling, and treatment for Human Immunodeficiency Virus (HIV), Tuberculosis (TB) and sexually transmitted infections (STIs).

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

C. **Screening and Assessment**

Grantee shall:

1. Comply with all applicable rules in the TAC for SUD programs as stated in the SUD Program Guide *Information, Rules, and Regulations* regarding Screening and Assessment.
2. When documenting a CMBHS Substance Use Disorder screening, Grantee shall conduct the screening in a confidential, face-to-face interview unless there is documented justification for an interview by phone.
3. Document *Financial Eligibility* in CMBHS as required in the SUD Program Guide.
4. Conduct and document a CMBHS SUD Initial Assessment with the Client to determine the appropriate levels of care for SUD treatment. The CMBHS assessment will identify the impact of substances on the physical, mental health, and other identified issues including TB, Hepatitis B and C, STI, HIV.
   i. If Client indicates risk for these communicable diseases, Grantee shall refer the Client to the appropriate community resources for further testing and counseling.
   ii. If the Client is at risk for HIV, Grantee shall refer the Client to pre and post- test counseling on HIV.
5. If the Client is living with HIV, Grantee will refer the Client to the appropriate community resources to complete the necessary referrals and health related paperwork.

D. **Treatment Planning, Implementation, and Review**

Grantee shall:

1. Comply with all applicable rules in the TAC for SUD Programs as stated in the SUD Program Guide Information, Rules, and Regulations regarding Treatment Planning, Implementation, and Review.
2. Collaborate actively with Clients and family, when appropriate, to develop and implement an individualized, written treatment plan that identifies services and support needed to address problems and needs identified in the assessment. The treatment plan shall document the expected length of stay and treatment intensity. Grantee shall use clinical judgment to assign a Projected length of stay for each individual Client.
3. Document referral and referral follow-up in CMBHS to the appropriate community resources based on the individual need of the Client.

E. **Discharge**

Grantee shall:

1. Comply with all applicable rules in the TAC for SUD Programs as stated in the SUD Program Guide Information, Rules, and Regulations regarding Discharge.
2. Develop and implement an individualized discharge plan with the Client to assist in sustaining Recovery.
3. Document in CMBHS the Client-specific information that supports the reason for discharge listed on the discharge report. A QCC shall sign the discharge summary. Appropriate referrals shall be made and documented in the Client record. A Client's treatment is considered successfully completed if the following criteria are met:

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

i. Client has completed the clinically recommended number of treatment units (either initially Projected or modified with clinical justification) as indicated in CMBHS; and
ii. All problems on the treatment plan have been addressed. Grantee shall use the treatment plan component of CMBHS to create a final and completed treatment plan version.

4. Problems designated as "treat" or "case manage" status shall have all objectives resolved prior to discharge:
   i. Problems that have been "referred" shall have associated documented referrals in CMBHS;
   ii. Problems with "deferred" status shall be re-assessed. Upon successful discharge, all deferred problems shall be resolved, either through referral, withdrawal, treatment, or case management with clinical justification reflected in CMBHS through the Progress Note and Treatment Plan Review Components; and
   iii. "Withdrawn" problems shall have clinical justification reflected in CMBHS, through the Progress Note and Treatment Plan Review Components.

F. **Additional Service Requirements**

Grantee shall:

1. Comply with all applicable rules in the TAC for SUD Programs as stated in the SUD Program Guide Information, Rules, and Regulations.
2. Deliver and provide access to services at times and locations that meet the needs of the target population. Provide or arrange for transportation to all required services not provided at Grantee's facility.
3. Accept referrals from the OSAR.
4. Provide evidenced-based education at minimum on the following topics: (i) TB; (ii) HIV; (iii) Hepatitis B and C; (iv) STIs/Diseases; and (v) health risks of tobacco and nicotine product use.
5. Provide Case Management as needed with documentation in CMBHS, as Case Management is essential to the ultimate success of the Client.
6. Ensure Client access to the full continuum of treatment services and shall provide sufficient treatment intensity to achieve treatment plan goals.
7. Provide all services in a culturally, linguistically, non-threatening, respectful and developmentally appropriate manner for Clients, families, and/or significant others.
8. Provide trauma-informed services that address the multiple and complex issues related to violence, trauma, and substance use disorders.
9. Provide overdose prevention education to all Clients. Document overdose prevention education in CMBHS.
10. Specific overdose prevention activities shall be conducted with Clients with opioid use disorders and those Clients that use drugs intravenously. Grantee will directly provide or refer to community support services for overdose prevention and reversal education to all identified at risk Clients prior to discharge. Grantee will document all overdose prevention and reversal education in CMBHS.
11. Ensure access to adequate and appropriate medical and psychosocial tobacco cessation treatment as follow:
    i. Assess all Clients for tobacco use and Clients seeking to cut back or quit.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ii. If the Client indicates wanting assistance with cutting back or quitting, the Client will be referred to appropriate tobacco cessation treatment.

12. Provide and document in CMBHS case management activities as indicated by assessment and treatment plan.
13. Provide and document in CMBHS research-based education on the effects of Alcohol, Tobacco, and Other Drugs (ATOD) on the fetus.
14. Utilize an evidenced-based, trauma-informed curriculum in the treatment of women with substance use disorders.
15. Utilize HHSC as the payer of last resort if the Client has other/outside funding available (i.e., wages, insurance, etc.).

SECTION IV: STAFF COMPETENCIES AND REQUIREMENTS

1. All personnel shall receive the training and Supervision necessary to ensure compliance with HHSC rules, provision of appropriate and individualized treatment, and protection of Client health, safety, and welfare.
2. Ensure that all direct care staff receive a copy of this Statement of Work and SUD Program Guide.
3. Ensure that all direct care staff review all policies and procedures related to the Program or organization on an annual basis.
4. Ensure compliance for Personnel Practices and Development with TAC and HHSC SUD Program Guide requirements.
5. Within ninety (90) business days of hire and prior to service delivery, direct care staff shall have specific documented training in the following:
   i. Motivational Interviewing Techniques or Motivational Enhancement Therapy;
   ii. Trauma-informed care;
   iii. Cultural competency;
   iv. Harm reduction trainings;
   v. Health Insurance Portability and Accountability Act (HIPAA) and 42 Code of Federal Regulations (CFR) Part 2 training;
   vi. Alcohol, Tobacco and Other Drugs on the Developing Fetus;
   vii. Child welfare education, and
   viii. State of Texas co-occurring psychiatric and substance use disorder (COPSD) training located at the following website: www.centralizedtraining.com.
6. Ensure all direct care staff complete annual education on HIPAA and 42 CFR Part 2 training.
7. Ensure all direct care staff complete a minimum of ten (10) hours of training each State Fiscal Year in any of the following areas:
   i. Motivational Interviewing Techniques;
   ii. Cultural competencies;
   iii. Reproductive health education;
   iv. Risk and harm reduction strategies;
   v. Trauma Informed Care;
   vi. Substance exposed pregnancy (such as Fetal Alcohol Spectrum Disorder or

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

vii. Neonatal Abstinence Syndrome);
viii. Child welfare education; or
ix. Suicide prevention and intervention.

8. Individuals responsible for planning, directing, or supervising treatment services shall be QCCs.
9. Grantee shall have a clinical Program Director known as a "Program Director" with at least two (2) years of post-QCC licensure experience providing substance use disorder treatment.
10. Substance Use Disorder counseling shall be provided by a QCC, or Chemical Dependency Counselor Intern. Substance use disorder education and life skills training shall be provided by counselors or individuals who have appropriate specialized education and expertise. All counselor interns shall work under the direct Supervision of a QCC.
11. Licensed Chemical Dependency Counselors shall recognize the limitations of their licensee's ability and shall not provide services outside the licensee's scope of practice of licensure or use techniques that exceed the person's license authorization or professional competence.
12. Grantee shall train staff and develop a policy to ensure that information gathered from Clients is conducted in a respectful, non-threatening, and culturally competent manner.
13. Grantee shall adapt services and accommodate persons as appropriate to meet the needs of special populations.
14. Grantee shall develop and implement a mechanism to ensure that all direct care staff have the knowledge, skills, and abilities to provide services to women and children, as they relate to the individual's job duties.
15. Grantee shall be able to demonstrate through documented training, credentials and/or experience that all direct care staff are proficient in areas pertaining to the needs of and provision of services to women and children.

SECTION V: LEVELS OF CARE / SERVICE TYPES

A. OUTPATIENT TREATMENT SERVICES (ASAM Level 1 Outpatient Services)

Grantee shall:

1. Adhere to TAC requirements and SUD Program Guide for outpatient treatment Programs / services.
2. Provide and document in CMBHS one (1) hour of group or individual counseling services for every six (6) hours of educational activities.
3. Document in CMBHS a discharge follow-up no sooner than sixty (60) calendar days and no later than ninety (90) calendar days after discharge from the outpatient treatment services.
4. When the assessment indicates placement in HHSC funded Women and Children Intensive or Supportive Residential services but there are no available beds, Grantee shall provide coordinated interim care until a Women and Children Intensive or Supportive Residential bed becomes available. A pregnant Client, if she chooses and is appropriate for this service type, shall be transferred to Women and Children Intensive and Supportive Residential services no later than the eighth month of pregnancy in order to provide sufficient time to

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

adjust to the changes prior to delivery of her child.

5. As part of the education hours, Grantee will provide and document in CMBHS:
   i. A minimum of one (1) hour per week (or one (1) hour per month for Clients who have been transferred to outpatient after successfully completing a residential level of care) of evidence-based parenting education and document these services; and
   ii. A minimum of six (6) hours (or two (2) hours for Clients who have been transferred to outpatient after successfully completing a residential level of care) of reproductive health education prior to discharge and document these services.
6. Provide and document in CMBHS research-based education on the effects of ATOD on the fetus.

B. **SUPPORTIVE RESIDENTIAL TREATMENT SERVICES (ASAM Level 3.1 Clinically Managed Low-Intensity Residential Services)**

Grantee shall:

1. Adhere to TAC and SUD Program Guide applicable to supportive services requirements.
2. When the assessment indicates placement in HHSC-funded Women and Children Intensive or Supportive Residential services but there are no available beds, Grantee shall provide coordinated interim care until a Women and Children Intensive or Supportive Residential bed becomes available. A pregnant Client, if she chooses and is appropriate for this service type, shall be transferred to Women and Children Intensive and Supportive Residential services no later than the eighth month of pregnancy in order to provide sufficient time to adjust to the changes prior to delivery of her child.
3. As part of education hours, Grantee will provide:
   i. A minimum of one (1) hour per week of evidenced-based parenting education; and
   ii. A minimum of two (2) hours of reproductive health education within thirty (30) Service Days of admission.
4. Document in CMBHS a discharge follow-up no sooner than sixty (60) calendar days and no later than ninety (90) calendar days after discharge from the outpatient treatment services.

C. **SUPPORTIVE RESIDENTIAL FOR WOMEN AND CHLDREN (ASAM Level 3.1 Clinically Managed Low-Intensity Residential Services)**

Grantee shall:

1. Adhere to TAC and SUD Program Guide applicable to supportive services requirements.
2. In addition, adhere to TAC requirements applicable to Treatment Services for Women and Children.
3. As part of education hours, Grantee will provide and document in CMBHS:
   i. A minimum of two (2) hours per week of evidence-based parenting education and document these services;
   ii. A minimum of six (6) hours of reproductive health education within thirty (30) service days of admission and document these services; and
   iii. At minimum, evidenced-based education on the effects of ATOD during pregnancy.
4. Document in CMBHS a discharge follow-up no sooner than sixty (60) calendar days and no later than ninety (90) calendar days after discharge from the outpatient treatment services.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

D. **INTENSIVE RESIDENTIAL TREATMENT SERVICES (ASAM Level 3.5 Clinically Managed High-Intensity Residential Services)**

Grantee shall:

1. Adhere to TAC and SUD Program Guide applicable to intensive services requirements.
2. When the assessment indicates placement in HHSC-funded Women and Children Intensive or Supportive Residential services but there are no available beds, Grantee shall provide coordinated interim care until a Women and Children Intensive or Supportive Residential bed becomes available. A pregnant Client, if she chooses and is appropriate for this service type, shall be transferred to Women and Children Intensive and Supportive Residential services no later than the eighth month of pregnancy in order to provide sufficient time to adjust to the changes prior to delivery of her child.
3. As part of education hours, Grantee will provide and document in CMBHS:
   i. A minimum of two (2) hours per week of evidenced-based parenting education; and
   ii. A minimum of six (6) hours of reproductive health education within thirty (30) Service Days of admission.
4. Document in CMBHS a discharge follow-up sixty (60) calendar days after discharge from the residential treatment services.

E. **INTENSIVE RESIDENTIAL FOR WOMEN AND CHLDREN (ASAM Level 3.5 Clinically Managed High-Intensity Residential Services)**

Grantee shall:

1. Adhere to TAC and SUD Program Guide applicable to intensive services requirements.
2. Adhere to TAC requirements applicable to Treatment Services for Women and Children.
3. As part of education hours, Grantee will provide:
   i. A minimum of two (2) hours per week of evidence-based parenting education and document these services; and
   ii. A minimum of six (6) hours of reproductive health education within thirty (30) Service Days of admission and document these services.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

F. **RESIDENTIAL DETOXIFICATION / WITHDRAWAL MANAGEMENT (ASAM LEVEL 3.7 MEDICALLY MONITORED WITHDRAWAL MANAGEMENT)**

Grantee shall:

1. Adhere to TAC requirements for detoxification services.
2. Adhere to the SUD Program Guide for detoxification services.
3. Adhere to the following additional service delivery requirements:
   i. Document in CMBHS a Withdrawal Management Intake Form.
   ii. Document in CMBHS a discharge plan prior to discharge or transfer.
   iii. Document in CMBHS a discharge follow-up no more than ten (10) calendar days after discharge from withdrawal management services.
   iv. Develop and Implement Policies, Procedures, and Medical Protocols to ensure Client placement into the appropriate level of withdrawal management services in accordance with national guidelines, peer-reviewed literature, and best practices and have available for HHSC review.

G. **AMBULATORY WITHDRAWAL MANAGEMENT (ASAM LEVEL 2 WITHDRAWAL MANAGEMENT)**

Grantee shall:

1. Adhere to TAC requirements for detoxification services.
2. Adhere to the SUD Program Guide for detoxification services.
3. Adhere to the following additional service delivery requirements:
   i. Document in CMBHS a Withdrawal Management Intake Form.
   ii. Document in CMBHS a discharge plan prior to discharge or transfer.
   iii. Document in CMBHS a discharge follow-up no more than ten (10) calendar days after discharge from withdrawal management services.
   iv. Develop and Implement Policies, Procedures, and Medical Protocols to ensure Client placement into the appropriate level of withdrawal management services in accordance with national guidelines, peer-reviewed literature, and best practices and have available for HHSC review.
4. Ambulatory detoxification shall not be a stand-alone service. Grantees shall ensure the Client is simultaneously admitted to a substance use disorder treatment service while admitted to ambulatory detoxification services.

SECTION VI: QUALITY MANAGEMENT

A. Respondent shall provide quality management and oversight for all subcontractors performing activities required within this Statement of Work. Respondent shall:

1. Participate in continuous quality improvement (CQI) activities as defined and scheduled by HHSC including, but not limited to data verification, performing self-reviews; submitting self-review results, supporting documentation for HHSC's desk reviews; and participating in HHSC's onsite or desk reviews.
2. For subcontractors underperforming or noncompliant as a result of monitoring, HHSC shall request a corrective action plan and supporting documentation from Respondent. HHSC

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

shall provide written notification when the corrective action plan is approved. Respondent shall ensure the approved corrective action plan is implemented by thirty (30) calendar days from the date approved.

3. Participate in and actively pursue CQI activities that support performance and outcomes improvement.
4. HHSC shall advise Respondent on identified training and/or improvements needed to perform the required activities for all subcontractors. Respondent shall ensure all required staff participate in HHSC required trainings.
5. Monitor all subcontractors' financial and programmatic performance and maintain pertinent records that must be made available for inspection by HHSC upon request.

B. Respondent shall develop a quarterly review schedule and submit a quarterly report by the due date documented in Section H. The report shall document the QM activities performed in the period being reported. At a minimum, the report shall include the following:

1. Date of review;
2. Name of subcontractor;
3. Unique Provider Identifier for the review;
4. Type of review;
5. Name of staff conducted review;
6. List of findings;
7. Number of monitoring reviews conducted;
8. Types of monitoring reviews conducted;
9. Summary evaluation of findings and Grantee plan of oversight to bring the subcontractors into compliance.
10. Number and nature of complaints received on subcontractor;
11. List of significant subcontractor findings that must, at a minimum, include the following:
    i. Immediate risk to health or safety;
    ii. Patient abuse, neglect, or exploitation;
    iii. Fraud, waste or abuse reports;
    iv. Report criminal activity of any subcontractor staff.

C. Respondent shall develop and utilize a QM monitoring tool that shall be completed to document all quality reviews. All completed Tools with corrective actions documentations shall be stored, and made available to HHSC, upon request.

D. Respondent shall monitor all sub-contracts to ensure compliance to ensure compliance. The required Quality Management Quarterly report shall include activities to support the quality management activities for this project.

SECTION VII: REPORTING AND SUBMISSION REQUIREMENTS

1. Grantee shall submit required reports of monitoring activities to HHSC by the applicable due

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

date outlined below. The following reports must be submitted to HHSC through GlobalScape EFT (https://sftp.hhs.texas.gov/) by the required due date and report name described in Table 1: Submission Requirements:

a. Grantee shall submit all documents listed in Table 1 by the Due Date stated.

b. Grantee will note that if the due date is on a weekend or holiday, the due date is the following business day.

c. Grantee shall submit monthly claims in Clinical Management for Behavioral Health Services (CMBHS) by the 15th of the following month.

d. Grantee shall submit annual Contract Closeout documentation each fiscal year with a final contractual closeout due October 15th of the final contractual year.

e. Grantee shall submit a CMBHS Security Attestation Form electronically within 15 days of the effective date of this Grant Agreement and then on or before September 15th and March 15th in each successive fiscal year to the designated folder in GlobalScape EFT.

f. Grantee will submit the Quality Management Report in Globalscape quarterly.

g. Grantee's duty to submit documents will survive the termination or expiration of this Grant Agreement.

2. HHSC will monitor Grantee's performance of the requirements in Attachment A and compliance with the contractual terms and conditions.

Table 1: Submission Requirements

REPORT	FREQUENCY	DUE DATE	DELIVERY METHOD
Claims in CMBHS	Monthly	All claims must be entered by the 15th day of the month following the end of each calendar month	CMBHS
CMBHS Security Attestation form	Semi-Annually. Initial form due 15 days from the date the Grant Agreement commences.	• FY22: August 15th • FY23: September 15th and March 15th	GlobalScape
Quality Management and Oversight – Monitoring Schedule	Quarterly	5th business day following the end of each quarter of the contractual term	GlobalScape
Quality Management and Oversight – Monitoring	Quarterly	30 calendar days following the end of the quarter of the contractual term	GlobalScape

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

Activity Report			
Annual Closeout Documents	45 days from the end of each fiscal year	October 15th	Globalscape

SECTION VIII: CLINICAL MANAGEMENT FOR BEHAVIORAL HEALTH SERVICES (CMBHS) SYSTEM MINIMUM REQUIREMENTS

A. All CMBHS requirements for the TRF program are detailed in Section V, *System of Record* of the Program Guide, which includes the following references:
    1. Designation of Security Administrator and backup Security Administrator
    2. Establishment of Security Policy
    3. Notifications to CMBHS Help-desk within 10 business days of any changes to Security Administrator
    4. CMBHS user access, including removal of user access within 24 hours for those who are no longer authorized to have access to secure data.

B. In addition to CMBHS Helpdesk notification, Grantee shall submit a signed CMBHS Security Attestation Form and a list of Grantee's employees and contracted laborers authorized to have access to secure data. The CMBHS Security Attestation Form shall be submitted electronically on or before the 15th day of September and March 15th, to the designated folder in Globalscape EFT.

C. Attend HHSC training on CMBHS documentation.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ATTACHMENT A-SUP 1

STATEMENT OF WORK SUPPLEMENTAL

A. GRANT AGREEMENT INFORMATION

Grantee ID:	17517619114
Grantee Name:	Collin County MHMR Center dba Lifepath Systems
Contract Type	Treatment
Payment Method:	Fee-for-Service
Solicitation Type:	Exempt; Government entity

B. SERVICE AREA

Services or activities will be provided to individuals from the following counties:

Region 3: Collin County

C. RENEWALS

Renewals contingent on the availability of funding.

D. CONTACT INFORMATION

Name:	Marcellus Crayton
Email:	Marcellus.Crayton02@hhs.texas.gov
Address:	909 W 45th Street, Bldg. 555 (MC 2058)
City/Zip:	Austin Texas 78751

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ATTACHMENT A-SUP 2
SUBSTANCE ABUSE BLOCK GRANT (SABG)
SUPPLEMENTAL STATEMENT OF WORK

The Assistance Listing Number (ALN) for the SABG is 93.959, and the award period covers the term identified above in Article III the Grant Agreement (Duration). As a subrecipient of the SABG Grant, Grantee must adhere to each of the applicable requirements below:

A. TUBERCULOSIS (TB) REQUIREMENTS PURSUANT TO 45 CFR § 96.127

1. Grantee must, directly or through arrangements with other public or nonprofit private entities, routinely make available the following TB services to each individual receiving treatment for substance abuse:
   - **a.** Counseling the individual with respect to TB;
   - **b.** Testing to determine whether the individual has been infected with mycobacteria TB to determine the appropriate form of treatment for the individual; and
   - **c.** Appropriate medical evaluation and treatment for individuals infected by mycobacteria TB.
2. For clients denied admission on the basis of lack of capacity, Grantee must refer such clients to other providers of TB services.
3. Grantee must have infection control procedures, which are consistent with those established by the Infectious Disease Control Unit of the Department of State Health Services, to prevent the transmission of TB and which address the following:
   - **a.** Screening and identifying those individuals who are at high risk of becoming infected;
   - **b.** Meeting all state reporting requirements while adhering to federal and state confidentiality requirements, including 42 CFR Part 2;
   - **c.** Case management activities to ensure that individuals receive such services; and
   - **d.** Grantee's obligation to report all individuals with active TB to the Infectious Disease Control Unit of the Department of State Health Services, as required by state law and in accordance with federal and state confidentiality requirements, including 42 CFR Part 2.

B. TREATMENT SERVICES FOR PREGNANT WOMEN PURSUANT TO 45 CFR § 96.131

1. Grantee must give preference to admitting pregnant women who seek or are referred for and would benefit from Block Grant-funded treatment services.
2. If Grantee serves an injecting drug-abusing population, Grantee must give preference to treatment as follows:
   - **a.** Pregnant injecting drug users;
   - **b.** Other pregnant substance abusers;
   - **c.** Other injecting drug users; and All others.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

3. Grantee must refer pregnant women to the State when Grantee has insufficient capacity to provide services to any such pregnant women who seek the services from the program.

4. Grantee must make interim services available within forty-eight (48) hours to pregnant women who cannot be admitted because of lack of capacity.

5. Grantee must offer interim services, when appropriate, that include the following, at minimum:
   a. Counseling and education about HIV and TB, the risks of needle-sharing, the risks of transmission to sexual partners and infants, and steps that can be taken to ensure that HIV and TB transmission does not occur;
   b. Referral for HIV or TB treatment services, if necessary;
   c. Counseling pregnant women on the effects of alcohol and other drug use on the fetus; and
   d. Referring pregnant women to prenatal care.

C. ADMINISTRATIVE REQUIREMENTS PURSUANT TO 45 CFR § 96.132

1. Grantee must make continuing education in substance abuse treatment and prevention available to employees who provide the services.

2. Grantee must have a system in effect that protects patient records from inappropriate disclosure, and that system must:
   a. Comply with all applicable state and federal laws and regulations, including 42 CFR Part 2; and
   b. Include provisions for employee education on confidentiality requirements and the fact that disciplinary action may be the result of inappropriate disclosure.

D. RESTRICTIONS ON THE EXPENDITURE OF THE GRANT PURSUANT TO 45 CFR § 96.135

1. Grantee shall not expend SABG funds to provide inpatient hospital substance abuse services, except in cases when each of the following conditions is met:
   a. The individual cannot be effectively treated in a community-based, nonhospital, residential treatment program;
   b. The daily rate of payment provided to the hospital for providing the services does not exceed the comparable daily rate provided by a community-based, nonhospital, residential treatment program;
   c. A physician makes a determination that the following conditions have been met:
      i. The primary diagnosis of the individual is substance abuse, and the physician certifies that fact;
      ii. The individual cannot be safely treated in a community-based, nonhospital, residential treatment program;
      iii. The service can reasonably be expected to improve the person's condition or level of functioning; and
      iv. The hospital-based substance abuse Grantee follows national standards of substance abuse professional practice; and

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

d. The service is provided only to the extent that it is medically necessary (e.g., only for those days that the patient cannot be safely treated in a residential, community-based program)

2. Further, Grantee shall not expend SABG funds to:

a. Purchase or improve land; purchase, construct, or permanently improve (other than minor remodeling) any building or other facility; or purchase major medical equipment;

b. Satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds;

c. Provide financial assistance to any entity other than a public or nonprofit private entity;

d. Make payments to intended recipients of health services;

e. Provide individuals with hypodermic needles or syringes; or

f. Provide treatment services in penal or correctional institutions of the State.

E. Payment Schedule Pursuant to 45 CFR § 96.137

Grantee must ensure that SABG funds for special services for pregnant women and women with dependent children, TB services, and HIV early intervention services are the "payment of last resort." Grantee also must make every reasonable effort to do the following in order to pay for these services:

1. Collect reimbursement for the costs of providing such services to persons entitled to insurance benefits under the Social Security Act, including programs under Title XVIII and Title XIX, any state compensation program, any other public assistance program for medical expenses, any grant program, any private health insurance, or any other benefit program; and

2. Secure from individuals or client's payments for services in accordance with their ability to pay.

F. Audit Requirements

Grantee shall adhere to the following requirements:

1. If Grantee expends $750,000.00) or more in federal financial assistance during the program's fiscal year, an independent financial and compliance audit must be completed by a Certified Public Accounting firm in accordance with 2 CFR 200 Uniform Grant Guidance. Grantee must submit two (2) copies of the audit report to the Texas Health and Human Services Commission within thirty (30) calendar days of receipt of the audit reports required by the Independent Single or Program-Specific Audit section of Attachment D, Uniform Terms and Conditions (Grantee). (See Article IV, Section 4.2.) Grantee must submit one (1) copy of these documents electronically via https://hhsportal.hhs.state.tx.us/heartwebextrSau as described in instructions that the Texas Health and Human Services Commission shall provide.

2. Grantee must also submit a data collection form and reporting package to the Federal Audit Clearinghouse.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

3. Grantee may access the Transactions List report in the Clinical Management for Behavioral Health Services (CMBHS) system to identify the amount of Federal Financial Assistance included in this award by each transaction.

4. If the Certified Public Accounting firm's audit report includes findings or questioned costs, Grantee must submit updates on the implementation of the corrective action plan to the Texas Health and Human Services Commission at Single_Audit_Report@hhsc.state.tx.us no later than the date designated by the Texas Health and Human Services Commission.

5. Grantee must retain records to support expenditures and make those records available for review or audit by appropriate officials of SAMHSA, the awarding agency, the General Accountability Office and/or their representatives.

G. Salary Limitation

Grantee must not use the SABG funds to pay salaries in excess of Level I of the Federal Senior Executive pay scale.

H. Charitable Choice

1. If Grantee is an SABG funded Grantee that is part of a faith-based organization, Grantee may:
   - **a.** Retain the authority over its internal governance;
   - **b.** Retain religious terms in its name;
   - **c.** Select board members on a religious basis;
   - **d.** Include religious references in the mission statements and other governing documents; and
   - **e.** Use space in its facilities to offer Block Grant-funded activities without removing religious art, icons, scriptures, or other symbols.

2. If Grantee is part of a faith-based organization, Grantee shall not use SABG funds for inherently religious activities such as the following:
   - **a.** Worship;
   - **b.** Religious instruction; or
   - **c.** Proselytization.

3. Grantee may only engage in religious activities listed above in Subsection H (2) if both of the following conditions are met:
   - **a.** The activities are offered separately, in time or location, from Block Grant-funded activities; and
   - **b.** Participation in the activities is voluntary.

4. In delivering services, including outreach activities, SABG funded religious organizations shall not discriminate against current or prospective program participants based upon:
   - **a.** Religion;
   - **b.** Religious belief;

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

c. Refusal to hold a religious belief; or

d. Refusal to actively participate in any religious practices.

5. If an otherwise eligible client objects to the religious character of Grantee, Grantee shall refer the client to an alternative provider within a reasonable period of time of the objection.

6. If Grantee is a religious organization, Grantee must:

a. Use generally accepted auditing and accounting principles to account for SABG funds similar to other nongovernmental organizations;

b. Segregate federal funds from non-federal funds;

c. Subject federal funds to audits by the government; and

d. Apply Charitable Choice requirements to commingled funds when state/local funds are commingled with Block Grant funds.

I. Capacity of Treatment for Intravenous Substance Abusers pursuant to 45 CFR § 96.126

If Grantee treats injecting drug users, Grantee shall:

1. Within seven (7) days, notify the State whenever Grantee has reached ninety percent (90%) of its treatment capacity;

2. Admit each individual who requests and is in need of treatment for intravenous drug abuse:

a. No later than fourteen (14) days after making the request; or

b. Within one hundred twenty (120) days of the request if Grantee has no capacity to admit the individual, Grantee makes interim services available within forty-eight (48) hours, and Grantee offers the interim services until the individual is admitted into a substance abuse treatment program;

3. Offer interim services, when appropriate, that include, at a minimum, two of the following:

a. Counseling and education about HIV and tuberculosis (TB), the risks of needle-sharing, the risks of transmission to sexual partners and infants, and steps that can be taken to ensure that HIV and TB transmission do not occur;

b. Referral for HIV or TB treatment services, if necessary; and

c. Counseling pregnant women on the effects of alcohol and other drug use on the fetus and referrals for prenatal care for pregnant women;

4. Maintain a waiting list that includes a unique individual identifier for each injecting drug abuser seeking treatment, including individuals receiving interim services while awaiting admission; and

5. Maintain a mechanism that enables the program to:

a. Maintain contact with individuals awaiting admission; and

b. Consult with the State's capacity management system to ensure that waiting list clients are admitted or transferred to an appropriate treatment program within a reasonable geographic area at the earliest possible time.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

Remainder of page intentionally left blank

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ATTACHMENT B
PROGRAM SERVICES AND UNIT RATES

A. Funding from the U.S. Department of Health and Humans Services (HHS) and the Substance Abuse and Mental Health Services Administration (SAMHSA) will be used to finance the Texas Health and Human Services Commission (HHSC) Substance Use Disorder project(s), which include the services provided under this Grant Agreement.

B. The following Assistance Listing Number (ALN) funds are listed as part of HHSC's share: Substance Abuse Block Grant (SABG) Supplemental Grant, ALN 93.959

C. Grantee shall comply with the requirements applicable in 2 CFR 200 (relating to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) and the Texas Grant Management Standards (TxGMS).

D. Grantee shall review and comply with HHSC's Grants Technical Assistance guide, which provides guidance on financial administration in order to clarify the applicable laws, rules, and regulations. See https://hhs.texas.gov/doing-business-hhs/grants for a copy of the guide.

E. Funding

1. HHSC's share of total reimbursements is not to exceed $62,659.00 for the period of August 1, 2022 through August 31, 2023, as shown in Article V, Budget, of the Grant Agreement Signature Document. The total contractual amount for each fiscal year (FY) is as follows:

a. FY 2022 (August 1, 2022 through August 31, 2022) $12,531.00
b. FY 2023 (September 1, 2022 through August 31, 2023).....$50,128.00

2. Grantee shall not be required to provide matching funds.

F. Claims:

1. Grantee shall submit claims to HHSC through the Clinical Management for Behavioral Health Services (CMBHS) system monthly.

2. After the closure of each Fiscal Year documented above in Section E, HHSC shall conduct contractual close-out activities. Grantee shall ensure all claims for each fiscal year (September through August) are submitted in CMBHS by October 15th. Claims submitted after October 15th may be denied.

3. All claims for the September service period of the current fiscal year must be submitted by October 15th. The invoices submitted after this date may be denied due to the grant budget period being closed.

G. Except as indicated by the CMBHS financial eligibility assessment, Grantee shall accept reimbursement or payment from HHSC as payment in full for services or goods provided to clients or participants; and Grantee shall not seek additional reimbursement or payment for services or goods, to include benefits received from federal, state, or local sources, from clients or participants.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

H. Grantee may request revisions to the approved distribution of funds budgeted in the Service Type/Numbers Served/Capacity/Funding Amounts Chart, by submitting a written request to the HHSC Contract Manager. Any revisions to the distribution of funds will result in revised numbers served and/or capacity requirements. This is considered a minor administrative change and does not require an amendment. HHSC shall provide a written notification if the revision is approved. The HHSC Contract Manager will update CMBHS, as needed.

I. Any unexpended balance associated with any other HHSC Contract may not be applied to this Grant Agreement.

J. HHSC funded capacity is defined as the stated number of clients who will be concurrently served as determined by this Grant Agreement.

K. Service Unit Rates

1. The unit rates for the service charts referenced in Section N below are located at the HHSC Substance Use Disorder Service Provider's webpage, under **Forms**, document name: **Treatment Rate Sheet**, the link to the webpage is below. All unit rates are subject to change and contingent on available funding.

https://www.hhs.texas.gov/providers/behavioral-health-services-providers/substance-use-disorder-service-providers

If the link to the webpage and/or location of the applicable unit rate document changes, HHSC will provide Grantee notice through a broadcast message via email.

2. If unit rates are adjusted in accordance with Section K(1) above, HHSC will provide Grantee notice through a broadcast message via email. All broadcast messages will be maintained in Grantee's file, and document the following:

a. Treatment Program/Service Type unit rate adjustments;

b. Treatment Program/Service Type unit rate adjustments effective date;

c. Treatment Program/Service Type method for receiving payments for the unit rate adjustment, as shown below in Section K(3).

3. There may be a delay between the effective date of the rate adjustment and those updated rates being reflected in CMBHS. In the event of a difference in the posted adjusted rate and the rate in CMBHS, the posted rate controls and payment will be adjusted as described below in Section K(4).

4. The HHSC effective date of the rate adjustment will determine the method(s) to implement the unit rate adjustment, as follows:

a. During the fiscal year close-out, HHSC may conduct reconciliation to extract paid claims data for services provided by Grantee during the unit rate adjustment approval period. HHSC may calculate the difference between Grantee's payment utilizing the unit rate in CMBHS versus the revised unit rate. HHSC will thereafter issue Grantee a final reconciliation payment for the difference between the two service unit rates. Grantee's fiscal year payment may not exceed the fiscal year allocation documented above in Section E.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

b. HHSC may revise the service unit rates in CMBHS to ensure all service claims during the approved service period may be reimbursed at the revised rate.

c. HHSC reserves the right to utilize different method(s) to process unit rate adjustments.

d. Method(s) used to process unit rate adjustments will be described in the broadcast message above in Section K(1).

L. Clinic numbers must be approved by the HHSC Contract Manager before billing can occur. A copy of the Clinic Change Request Form is located at: https://hhs.texas.gov/doing-business-hhs/provider-portals/behavioral-health-services-providers/substance-use-disorder-service-providers.

M. Service Types with no associated amount will be paid from the preceding Service Type with an associated amount.

N. The Service Types, Capacity, and Unit Rates in the tables below are approved and shall be delivered through this Grant Agreement:

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

SERVICE TYPE / CAPACITY / UNIT RATE

FISCAL YEAR 2022			
Service Type	**Number Served**	**Capacity**	**Amount**
Adult Specialized Female Outpatient Services	**16**	**2**	**$12,531.00**
Adult Spec Female Outpatient Group Counseling			
Adult Spec Female Outpatient Group Education			
Adult Spec Female Outpatient Individual			
TOTAL	**16**		**$12,531.00**

FISCAL YEAR 2023			
Service Type	**Number Served**	**Capacity**	**Amount**
Adult Specialized Female Outpatient Services	**9**	**1**	**$50,128.00**
Adult Spec Female Outpatient Group Counseling			
Adult Spec Female Outpatient Group Education			
Adult Spec Female Outpatient Individual			
TOTAL	**9**		**$50,128.00**

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

HEALTH AND HUMAN SERVICES
Contract Number HHS001040100028
Attachment C CONTRACT AFFIRMATIONS

For purposes of these Contract Affirmations, HHS includes both the Health and Human Services Commission (HHSC) and the Department of State Health Services (DSHS). System Agency refers to HHSC, DSHS, or both, that will be a party to this Contract. These Contract Affirmations apply to all Contractors and Grantees (referred to as "Contractor") regardless of their business form (e.g., individual, partnership, corporation).

By entering into this Contract, Contractor affirms, without exception, understands, and agrees to comply with the following items through the life of the Contract:

1. Contractor represents and warrants that these Contract Affirmations apply to Contractor and all of Contractor's principals, officers, directors, shareholders, partners, owners, agents, employees, subcontractors, independent contractors, and any other representatives who may provide services under, who have a financial interest in, or otherwise are interested in this Contract and any related Solicitation.

2. Complete and Accurate Information

Contractor represents and warrants that all statements and information provided to HHS are current, complete, and accurate. This includes all statements and information in this Contract and any related Solicitation Response.

3. Public Information Act

Contractor understands that HHS will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code) as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material prepared and submitted in connection with this Contract or any related Solicitation may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Contractor is required to make any information created or exchanged with the State pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State.

4. Contracting Information Requirements

Contractor represents and warrants that it will comply with the requirements of Section 552.372(a) of the Texas Government Code. Except as provided by Section 552.374(c) of the Texas Government Code, the requirements of Subchapter J (Additional Provisions Related to Contracting Information), Chapter 552 of the Government Code, may apply to the Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

5. Assignment

A. Contractor shall not assign its rights under the Contract or delegate the performance of its duties under the Contract without prior written approval from System Agency. Any attempted assignment in violation of this provision is void and without effect.

B. Contractor understands and agrees the System Agency may in one or more transactions assign, pledge, or transfer the Contract. Upon receipt of System Agency's notice of assignment, pledge, or transfer, Contractor shall cooperate with System Agency in giving effect to such assignment, pledge, or transfer, at no cost to System Agency or to the recipient entity.

6. Terms and Conditions

Contractor accepts the Solicitation terms and conditions unless specifically noted by exceptions advanced in the form and manner directed in the Solicitation, if any, under which this Contract was awarded. Contractor agrees that all exceptions to the Solicitation, as well as terms and conditions advanced by Contractor that differ in any manner from HHS' terms and conditions, if any, are rejected unless expressly accepted by System Agency in writing.

7. HHS Right to Use

Contractor agrees that HHS has the right to use, produce, and distribute copies of and to disclose to HHS employees, agents, and contractors and other governmental entities all or part of this Contract or any related Solicitation Response as HHS deems necessary to complete the procurement process or comply with state or federal laws.

8. Release from Liability

Contractor generally releases from liability and waives all claims against any party providing information about the Contractor at the request of System Agency.

9. Dealings with Public Servants

Contractor has not given, has not offered to give, and does not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract or any related Solicitation, or related Solicitation Response.

10. Financial Participation Prohibited

Under Section 2155.004, Texas Government Code (relating to financial participation in preparing solicitations), Contractor certifies that the individual or business entity named in this Contract and any related Solicitation Response is not ineligible to receive this Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.

11. Prior Disaster Relief Contract Violation

Under Sections 2155.006 and 2261.053 of the Texas Government Code (relating to convictions and penalties regarding Hurricane Rita, Hurricane Katrina, and other disasters), the Contractor certifies that the individual or business entity named in this Contract and any related Solicitation Response is not ineligible to receive this Contract

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.

12. Child Support Obligation

Under Section 231.006(d) of the Texas Family Code regarding child support, Contractor certifies that the individual or business entity named in this Contract and any related Solicitation Response is not ineligible to receive the specified payment and acknowledges that the Contract may be terminated and payment may be withheld if this certification is inaccurate. If the certification is shown to be false, Contractor may be liable for additional costs and damages set out in 231.006(f).

13. Suspension and Debarment

Contractor certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the *State of Texas Debarred Vendor List* maintained by the Texas Comptroller of Public Accounts and the *System for Award Management (SAM*) maintained by the General Services Administration. This certification is made pursuant to the regulations implementing Executive Order 12549 and Executive Order 12689, Debarment and Suspension, 2 C.F.R. Part 376, and any relevant regulations promulgated by the Department or Agency funding this project. This provision shall be included in its entirety in Contractor's subcontracts, if any, if payment in whole or in part is from federal funds.

14. Excluded Parties

Contractor certifies that it is not listed in the prohibited vendors list authorized by Executive Order 13224, *"Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism,"* published by the United States Department of the Treasury, Office of Foreign Assets Control.'

15. Foreign Terrorist Organizations

Contractor represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.

16. Executive Head of a State Agency

In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Contractor certifies that it is not (1) the executive head of an HHS agency, (2) a person who at any time during the four years before the date of this Contract was the executive head of an HHS agency, or (3) a person who employs a current or former executive head of an HHS agency.

17. Human Trafficking Prohibition

Under Section 2155.0061 of the Texas Government Code, Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive this Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

18. Franchise Tax Status

Contractor represents and warrants that it is not currently delinquent in the payment of any franchise taxes owed the State of Texas under Chapter 171 of the Texas Tax Code.

19. Debts and Delinquencies

Contractor agrees that any payments due under this Contract shall be applied towards any debt or delinquency that is owed to the State of Texas.

20. Lobbying Prohibition

Contractor represents and warrants that payments to Contractor and Contractor's receipt of appropriated or other funds under this Contract or any related Solicitation are not prohibited by Sections 556.005, 556.0055, or 556.008 of the Texas Government Code (relating to use of appropriated money or state funds to employ or pay lobbyists, lobbying expenses, or influence legislation).

21. Buy Texas

Contractor agrees to comply with Section 2155.4441 of the Texas Government Code, requiring the purchase of products and materials produced in the State of Texas in performing service contracts.

22. Disaster Recovery Plan

Contractor agrees that upon request of System Agency, Contractor shall provide copies of its most recent business continuity and disaster recovery plans.

23. Computer Equipment Recycling Program

If this Contract is for the purchase or lease of computer equipment, then Contractor certifies that it is in compliance with Subchapter Y, Chapter 361 of the Texas Health and Safety Code related to the Computer Equipment Recycling Program and the Texas Commission on Environmental Quality rules in 30 TAC Chapter 328.

24. Television Equipment Recycling Program

If this Contract is for the purchase or lease of covered television equipment, then Contractor certifies that it is compliance with Subchapter Z, Chapter 361 of the Texas Health and Safety Code related to the Television Equipment Recycling Program.

25. Cybersecurity Training

A. Contractor represents and warrants that it will comply with the requirements of Section 2054.5192 of the Texas Government Code relating to cybersecurity training and required verification of completion of the training program.

B. Contractor represents and warrants that if Contractor or Subcontractors, officers, or employees of Contractor have access to any state computer system or database, the Contractor, Subcontractors, officers, and employees of Contractor shall complete cybersecurity training pursuant to and in accordance with Government Code, Section 2054.5192.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

26. Restricted Employment for Certain State Personnel

Contractor acknowledges that, pursuant to Section 572.069 of the Texas Government Code, a former state officer or employee of a state agency who during the period of state service or employment participated on behalf of a state agency in a procurement or contract negotiation involving Contractor may not accept employment from Contractor before the second anniversary of the date the Contract is signed or the procurement is terminated or withdrawn.

27. No Conflicts of Interest

A. Contractor represents and warrants that it has no actual or potential conflicts of interest in providing the requested goods or services to System Agency under this Contract or any related Solicitation and that Contractor's provision of the requested goods and/or services under this Contract and any related Solicitation will not constitute an actual or potential conflict of interest or reasonably create an appearance of impropriety.

B. Contractor agrees that, if after execution of the Contract, Contractor discovers or is made aware of a Conflict of Interest, Contractor will immediately and fully disclose such interest in writing to System Agency. In addition, Contractor will promptly and fully disclose any relationship that might be perceived or represented as a conflict after its discovery by Contractor or by System Agency as a potential conflict. System Agency reserves the right to make a final determination regarding the existence of Conflicts of Interest, and Contractor agrees to abide by System Agency's decision.

28. Fraud, Waste, and Abuse

Contractor understands that HHS does not tolerate any type of fraud, waste, or abuse. Violations of law, agency policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. Pursuant to Texas Government Code, Section 321.022, if the administrative head of a department or entity that is subject to audit by the state auditor has reasonable cause to believe that money received from the state by the department or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the Texas State Auditor's Office (SAO). All employees or contractors who have reasonable cause to believe that fraud, waste, or abuse has occurred (including misconduct by any HHS employee, Grantee officer, agent, employee, or subcontractor that would constitute fraud, waste, or abuse) are required to immediately report the questioned activity to the Health and Human Services Commission's Office of Inspector General. Contractor agrees to comply with all applicable laws, rules, regulations, and System Agency policies regarding fraud, waste, and abuse including, but not limited to, HHS Circular C-027.

A report to the SAO must be made through one of the following avenues:

- SAO Toll Free Hotline: 1-800-TX-AUDIT
- SAO website: http://sao.fraud.state.tx.us/

All reports made to the OIG must be made through one of the following avenues:

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

- OIG Toll Free Hotline 1-800-436-6184
- OIG Website: ReportTexasFraud.com
- Internal Affairs Email: InternalAffairsReferral@hhsc.state.tx.us
- OIG Hotline Email: OIGFraudHotline@hhsc.state.tx.us.
- OIG Mailing Address: Office of Inspector General
  Attn: Fraud Hotline
  MC 1300
  P.O. Box 85200
  Austin, Texas 78708-5200

29. Antitrust

The undersigned affirms under penalty of perjury of the laws of the State of Texas that:

A. in connection with this Contract and any related Solicitation Response, neither I nor any representative of the Contractor has violated any provision of the Texas Free Enterprise and Antitrust Act, Tex. Bus. & Comm. Code Chapter 15;

B. in connection with this Contract and any related Solicitation Response, neither I nor any representative of the Contractor has violated any federal antitrust law; and

C. neither I nor any representative of the Contractor has directly or indirectly communicated any of the contents of this Contract and any related Solicitation Response to a competitor of the Contractor or any other company, corporation, firm, partnership or individual engaged in the same line of business as the Contractor.

30. Legal and Regulatory Actions

Contractor represents and warrants that it is not aware of and has received no notice of any court or governmental agency proceeding, investigation, or other action pending or threatened against Contractor or any of the individuals or entities included in numbered paragraph 1 of these Contract Affirmations within the five (5) calendar years immediately preceding execution of this Contract or the submission of any related Solicitation Response that would or could impair Contractor's performance under this Contract, relate to the contracted or similar goods or services, or otherwise be relevant to System Agency's consideration of entering into this Contract. If Contractor is unable to make the preceding representation and warranty, then Contractor instead represents and warrants that it has provided to System Agency a complete, detailed disclosure of any such court or governmental agency proceeding, investigation, or other action that would or could impair Contractor's performance under this Contract, relate to the contracted or similar goods or services, or otherwise be relevant to System Agency's consideration of entering into this Contract. In addition, Contractor acknowledges this is a continuing disclosure requirement. Contractor represents and warrants that Contractor shall notify System Agency in writing within five (5) business days of any changes to the representations or warranties in this clause and understands that failure to so timely update System Agency shall constitute breach of contract and may result in immediate contract termination.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

31. No Felony Criminal Convictions

Contractor represents that neither Contractor nor any of its employees, agents, or representatives, including any subcontractors and employees, agents, or representative of such subcontractors, have been convicted of a felony criminal offense or that if such a conviction has occurred Contractor has fully advised System Agency in writing of the facts and circumstances surrounding the convictions.

32. Unfair Business Practices

Contractor represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Chapter 17 of the Texas Business and Commerce Code, or allegations of any unfair business practice in any administrative hearing or court suit and that Contractor has not been found to be liable for such practices in such proceedings. Contractor certifies that it has no officers who have served as officers of other entities who have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit and that such officers have not been found to be liable for such practices in such proceedings**.**

33. Entities that Boycott Israel

Contractor represents and warrants that (1) it does not, and shall not for the duration of the Contract, boycott Israel or (2) the verification required by Section 2271.002 of the Texas Government Code does not apply to the Contract. If circumstances relevant to this provision change during the course of the Contract, Contractor shall promptly notify System Agency.

34. E-Verify

Contractor certifies that for contracts for services, Contractor shall utilize the U.S. Department of Homeland Security's E-Verify system during the term of this Contract to determine the eligibility of:

1. all persons employed by Contractor to perform duties within Texas; and
2. all persons, including subcontractors, assigned by Contractor to perform work pursuant to this Contract within the United States of America.

35. Former Agency Employees – Certain Contracts

If this Contract is an employment contract, a professional services contract under Chapter 2254 of the Texas Government Code, or a consulting services contract under Chapter 2254 of the Texas Government Code, in accordance with Section 2252.901 of the Texas Government Code, Contractor represents and warrants that neither Contractor nor any of Contractor's employees including, but not limited to, those authorized to provide services under the Contract, were former employees of an HHS Agency during the twelve (12) month period immediately prior to the date of the execution of the Contract.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

36. Disclosure of Prior State Employment – Consulting Services

If this Contract is for consulting services,

A. In accordance with Section 2254.033 of the Texas Government Code, a Contractor providing consulting services who has been employed by, or employs an individual who has been employed by, System Agency or another State of Texas agency at any time during the two years preceding the submission of Contractor's offer to provide services must disclose the following information in its offer to provide services. Contractor hereby certifies that this information was provided and remains true, correct, and complete:

1. Name of individual(s) (Contractor or employee(s));
2. Status;
3. The nature of the previous employment with HHSC or the other State of Texas agency;
4. The date the employment was terminated and the reason for the termination; and
5. The annual rate of compensation for the employment at the time of its termination.

B. If no information was provided in response to Section A above, Contractor certifies that neither Contractor nor any individual employed by Contractor was employed by System Agency or any other State of Texas agency at any time during the two years preceding the submission of Contractor's offer to provide services.

37. Abortion Funding Limitation

Contractor understands, acknowledges, and agrees that, pursuant to Article IX of the General Appropriations Act (the Act), to the extent allowed by federal and state law, money appropriated by the Texas Legislature may not be distributed to any individual or entity that, during the period for which funds are appropriated under the Act:

1. performs an abortion procedure that is not reimbursable under the state's Medicaid program;
2. is commonly owned, managed, or controlled by an entity that performs an abortion procedure that is not reimbursable under the state's Medicaid program; or
3. is a franchise or affiliate of an entity that performs an abortion procedure that is not reimbursable under the state's Medicaid program.

The provision does not apply to a hospital licensed under Chapter 241, Health and Safety Code, or an office exempt under Section 245.004(2), Health and Safety Code. Contractor represents and warrants that it is not ineligible, nor will it be ineligible during the term of this Contract, to receive appropriated funding pursuant to Article IX.

38. Funding Eligibility

Contractor understands, acknowledges, and agrees that, pursuant to Chapter 2272 (eff. Sept. 1, 2021, Ch. 2273) of the Texas Government Code, except as exempted under that Chapter, HHSC cannot contract with an abortion provider or an affiliate of an abortion provider. Contractor certifies that it is not ineligible to contract with HHSC under the terms of Chapter 2272 (eff. Sept. 1, 2021, Ch. 2273) of the Texas Government Code.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

39. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment (2 CFR 200.216)

Contractor certifies that the individual or business entity named in this Response or Contract is not ineligible to receive the specified Contract or funding pursuant to 2 CFR 200.216.

40. COVID-19 Vaccine Passports

Pursuant to Texas Health and Safety Code, Section 161.0085(c), Contractor certifies that it does not require its customers to provide any documentation certifying the customer's COVID-19 vaccination or post-transmission recovery on entry to, to gain access to, or to receive service from the Contractor's business. Contractor acknowledges that such a vaccine or recovery requirement would make Contractor ineligible for a state-funded contract.

41. Entities that Boycott Energy Companies

In accordance with Senate Bill 13, Acts 2021, 87th Leg., R.S., pursuant to Section 2274.002 of the Texas Government Code (relating to prohibition on contracts with companies boycotting certain energy companies), Contractor represents and warrants that: (1) it does not, and will not for the duration of the Contract, boycott energy companies or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the Contract. If circumstances relevant to this provision change during the course of the Contract, Contractor shall promptly notify System Agency.

42. Entities that Discriminate Against Firearm and Ammunition Industries

In accordance with Senate Bill 19, Acts 2021, 87th Leg., R.S., pursuant to Section 2274.002 of the Texas Government Code (relating to prohibition on contracts with companies that discriminate against firearm and ammunition industries), Contractor verifies that: (1) it does not, and will not for the duration of the Contract, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the Contract. If circumstances relevant to this provision change during the course of the Contract, Contractor shall promptly notify System Agency.

43. Security Controls for State Agency Data

In accordance with Senate Bill 475, Acts 2021, 87th Leg., R.S., pursuant to Texas Government Code, Section 2054.138, Contractor understands, acknowledges, and agrees that if, pursuant to this Contract, Contractor is or will be authorized to access, transmit, use, or store data for System Agency, Contractor is required to meet the security controls the System Agency determines are proportionate with System Agency's risk under the Contract based on the sensitivity of System Agency's data and that Contractor must periodically provide to System Agency evidence that Contractor meets the security controls required under the Contract.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

44. Cloud Computing State Risk and Authorization Management Program (TX-RAMP)

In accordance with Senate Bill 475, Acts 2021, 87th Leg., R.S., pursuant to Texas Government Code, Section 2054.0593, Contractor acknowledges and agrees that, if providing cloud computing services for System Agency, Contractor must comply with the requirements of the state risk and authorization management program and that System Agency may not enter or renew a contract with Contractor to purchase cloud computing services for the agency that are subject to the state risk and authorization management program unless Contractor demonstrates compliance with program requirements. If providing cloud computing services for System Agency that are subject to the state risk and authorization management program, Contractor certifies it will maintain program compliance and certification throughout the term of the Contract.

45. Office of Inspector General Investigative Findings Expert Review

In accordance with Senate Bill 799, Acts 2021, 87th Leg., R.S., if Texas Government Code, Section 531.102(m-1)(2) is applicable to this Contract, Contractor affirms that it possesses the necessary occupational licenses and experience.

46. Contract for Professional Services of Physicians, Optometrists, and Registered Nurses

In accordance with Senate Bill 799, Acts 2021, 87th Leg., R.S., if Texas Government Code, Section 2254.008(a)(2) is applicable to this Contract, Contractor affirms that it possesses the necessary occupational licenses and experience.

47. Foreign-Owned Companies in Connection with Critical Infrastructure

If Texas Government Code, Section 2274.0102(a)(1) (relating to prohibition on contracts with certain foreign-owned companies in connection with critical infrastructure) is applicable to this Contract, pursuant to Government Code Section 2274.0102, Contractor certifies that neither it nor its parent company, nor any affiliate of Contractor or its parent company, is: (1) majority owned or controlled by citizens or governmental entities of China, Iran, North Korea, Russia, or any other country designated by the Governor under Government Code Section 2274.0103, or (2) headquartered in any of those countries.

48. Critical Infrastructure Subcontracts

For purposes of this Paragraph, the designated countries are China, Iran, North Korea, Russia, and any countries lawfully designated by the Governor as a threat to critical infrastructure. Pursuant to Section 113.002 of the Business and Commerce Code, Contractor shall not enter into a subcontract that will provide direct or remote access to or control of critical infrastructure, as defined by Section 113.001 of the Texas Business and Commerce Code, in this state, other than access specifically allowed for product warranty and support purposes to any subcontractor unless (i) neither the subcontractor nor its parent company, nor any affiliate of the subcontractor or its parent company, is majority owned or controlled by citizens or governmental entities of a designated country; and (ii) neither the subcontractor nor its parent company, nor any affiliate of the subcontractor or its parent company, is headquartered in a designated country. Contractor will notify the System Agency before entering into any subcontract that will provide direct or remote

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

access to or control of critical infrastructure, as defined by Section 113.001 of the Texas Business & Commerce Code, in this state.

49. Enforcement of Certain Federal Firearms Laws Prohibited

In accordance with House Bill 957, Acts 2021, 87th Leg., R.S., if Texas Government Code, Section 2.101 is applicable to Contractor, Contractor certifies that it is not ineligible to receive state grant funds pursuant to Texas Government Code, Section 2.103.

50. Prohibition on Abortions

Contractor understands, acknowledges, and agrees that, pursuant to Article II of the General Appropriations Act, (1) no funds shall be used to pay the direct or indirect costs (including marketing, overhead, rent, phones, and utilities) of abortion procedures provided by contractors of HHSC; and (2) no funds appropriated for Medicaid Family Planning, Healthy Texas Women Program, or the Family Planning Program shall be distributed to individuals or entities that perform elective abortion procedures or that contract with or provide funds to individuals or entities for the performance of elective abortion procedures. Contractor represents and warrants that it is not ineligible, nor will it be ineligible during the term of this Contract, to receive appropriated funding pursuant to Article II.

51. False Representation

Contractor understands, acknowledges, and agrees that any false representation or any failure to comply with a representation, warranty, or certification made by Contractor is subject to all civil and criminal consequences provided at law or in equity including, but not limited to, immediate termination of this Contract.

52. False Statements

Contractor represents and warrants that all statements and information prepared and submitted by Contractor in this Contract and any related Solicitation Response are current, complete, true, and accurate. Contractor acknowledges any false statement or material misrepresentation made by Contractor during the performance of this Contract or any related Solicitation is a material breach of contract and may void this Contract. Further, Contractor understands, acknowledges, and agrees that any false representation or any failure to comply with a representation, warranty, or certification made by Contractor is subject to all civil and criminal consequences provided at law or in equity including, but not limited to, immediate termination of this Contract.

53. Permits and License

Contractor represents and warrants that it will comply with all applicable laws and maintain all permits and licenses required by applicable city, county, state, and federal rules, regulations, statutes, codes, and other laws that pertain to this Contract.

54. Equal Employment Opportunity

Contractor represents and warrants its compliance with all applicable duly enacted state and federal laws governing equal employment opportunities.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

55. Federal Occupational Safety and Health Law

Contractor represents and warrants that all articles and services shall meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Act of 1970, as amended (29 U.S.C. Chapter 15).

56. Signature Authority

Contractor represents and warrants that the individual signing this Contract Affirmations document is authorized to sign on behalf of Contractor and to bind the Contractor.

Signature Page Follows

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

Authorized representative on behalf of Contractor must complete and sign the following:

Collin County Mental Health Mental Retardation Center

Legal Name of Contractor

LifePath Systems

Assumed Business Name of Contractor, if applicable (d/b/a or 'doing business as')

Texas County(s) for Assumed Business Name (d/b/a or 'doing business as')
Attach Assumed Name Certificate(s) filed with the Texas Secretary of State and Assumed Name Certificate(s), if any, for each Texas County Where Assumed Name Certificate(s) has been filed.

DocuSigned by:
Tammy Mahan
C0C2602E1EE2441...

August 1, 2022

Signature of Authorized Representative

Date Signed

Tammy Mahan

CEO

Printed Name of Authorized Representative First, Middle Name or Initial, and Last Name

Title of Authorized Representative

1515 Heritage Drive

McKinney, TX 75069

Physical Street Address

City, State, Zip Code

Mailing Address, if different

City, State, Zip Code

972-562-0190

Phone Number

Fax Number

tmahan@lifepathsystems.org

161443783

Email Address

DUNS Number

751761911

17517619114

Federal Employer Identification Number

Texas Identification Number (TIN)

32051038761

0056634201

Texas Franchise Tax Number

Texas Secretary of State Filing Number

WY9FGNAZ-SNA6

SAM.gov Unique Entity Identifier (UEI)

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ATTACHMENT D

TEXAS
Health and Human Services

Health and Human Services (HHS)

Uniform Terms and Conditions - Grant

Version 3.2

Published and Effective – July 2022

Responsible Office: Chief Counsel

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ABOUT THIS DOCUMENT

In this document, Grantees (also referred to in this document as subrecipients or contractors) will find requirements and conditions applicable to grant funds administered and passed-through by both the Texas Health and Human Services Commission (HHSC) and the Department of State Health Services (DSHS). These requirements and conditions are incorporated into the Grant Agreement through acceptance by Grantee of any funding award by HHSC or DSHS.

The terms and conditions in this document are in addition to all requirements listed in the RFA, if any, under which applications for this grant award are accepted, as well as all applicable federal and state laws and regulations. Applicable federal and state laws and regulations may include, but are not limited to: 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; requirements of the entity that awarded the funds to HHS; Chapter 783 of the Texas Government Code; Texas Comptroller of Public Accounts' agency rules (including Uniform Grant and Contract Standards set forth in Title 34, Part 1, Chapter 20, Subchapter E, Division 4 of the Texas Administrative Code); the Texas Grant Management Standards (TxGMS) developed by the Texas Comptroller of Public Accounts; and the Funding Announcement, Solicitation, or other instrument/documentation under which HHS was awarded funds. HHS, in its sole discretion, reserves the right to add requirements, terms, or conditions.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

TABLE OF CONTENTS

ARTICLE I. DEFINITIONS AND INTERPRETIVE PROVISIONS 6
1.1 DEFINITIONS 6
1.2 INTERPRETIVE PROVISIONS 7
ARTICLE II. PAYMENT PROVISIONS 8
2.1 PROMPT PAYMENT 8
2.2 TAXES 8
2.3 ANCILLARY AND TRAVEL EXPENSES 9
2.4 BILLING 9
2.5 USE OF FUNDS 9
2.6 USE FOR MATCH PROHIBITED 9
2.7 PROGRAM INCOME 9
2.8 NONSUPPLANTING 9
2.9 INDIRECT COST RATES 10
ARTICLE III. STATE AND FEDERAL FUNDING 10
3.1 EXCESS OBLIGATIONS PROHIBITED 10
3.2 NO DEBT AGAINST THE STATE 10
3.3 DEBTS AND DELINQUENCIES 10
3.4 REFUNDS AND OVERPAYMENTS 10
ARTICLE IV. ALLOWABLE COSTS AND AUDIT REQUIREMENTS 11
4.1 ALLOWABLE COSTS 11
4.2 AUDITS AND FINANCIAL STATEMENTS 11
4.3 SUBMISSION OF AUDITS AND FINANCIAL STATEMENTS 12
ARTICLE V. WARRANTY, AFFIRMATIONS, ASSURANCES AND CERTIFICATIONS 12
5.1 WARRANTY 12
5.2 GENERAL AFFIRMATIONS 13
5.3 FEDERAL ASSURANCES 13
5.4 FEDERAL CERTIFICATIONS 13
5.5 STATE ASSURANCES 13

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ARTICLE VI. INTELLECTUAL PROPERTY 13
6.1 Ownership of Work Product 13
6.2 Grantee's Pre-Existing Works 14
6.3 Third Party IP 14
6.4 Agreements with Employees and Subcontractors 14
6.5 Delivery upon Termination or Expiration 15
6.6 Survival 15
6.7 System Agency Data 15
ARTICLE VII. PROPERTY 15
7.1 Use of State Property 15
7.2 Damage to State Property 16
7.3 Property Rights upon Termination or Expiration of Contract 16
7.4 Equipment and Property 16
ARTICLE VIII. RECORD RETENTION, AUDIT, AND CONFIDENTIALITY 17
8.1 Record Maintenance and Retention 17
8.2 Agency's Right to Audit 17
8.3 Response/Compliance with Audit or Inspection Findings 18
8.4 State Auditor's Right to Audit 18
8.5 Confidentiality 18
ARTICLE IX. GRANT REMEDIES, TERMINATION AND PROHIBITED ACTIVITIES 19
9.1 Remedies 19
9.2 Termination for Convenience 19
9.3 Termination for Cause 19
9.4 Grantee Responsibility for System Agency's Termination Costs 20
9.5 Inherently Religious Activities 20
9.6 Political Activities 20
ARTICLE X. INDEMNITY 21
10.1 General Indemnity 21
10.2 Intellectual Property 21
10.3 Additional Indemnity Provisions 22
ARTICLE XI. GENERAL PROVISIONS 22
11.1 Amendments 22
11.2 No Quantity Guarantees 22

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

11.3 CHILD ABUSE REPORTING REQUIREMENTS 22
11.4 CERTIFICATION OF MEETING OR EXCEEDING TOBACCO-FREE WORKPLACE POLICY MINIMUM STANDARDS 23
11.5 INSURANCE AND BONDS 23
11.6 LIMITATION ON AUTHORITY 23
11.7 CHANGE IN LAWS AND COMPLIANCE WITH LAWS 24
11.8 SUBCONTRACTORS 24
11.9 PERMITTING AND LICENSURE 24
11.10 INDEPENDENT CONTRACTOR 24
11.11 GOVERNING LAW AND VENUE 25
11.12 SEVERABILITY 25
11.13 SURVIVABILITY 25
11.14 FORCE MAJEURE 25
11.15 NO IMPLIED WAIVER OF PROVISIONS 26
11.16 FUNDING DISCLAIMERS AND LABELING 26
11.17 MEDIA RELEASES 26
11.18 PROHIBITION ON NON-COMPETE RESTRICTIONS 26
11.19 SOVEREIGN IMMUNITY 26
11.20 ENTIRE CONTRACT AND MODIFICATION 27
11.21 COUNTERPARTS 27
11.22 PROPER AUTHORITY 27
11.23 E-VERIFY PROGRAM 27
11.24 CIVIL RIGHTS 27
11.25 ENTERPRISE INFORMATION MANAGEMENT STANDARDS 28
11.26 DISCLOSURE OF LITIGATION 28
11.27 NO THIRD PARTY BENEFICIARIES 29
11.28 BINDING EFFECT 29

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ARTICLE I. DEFINITIONS AND INTERPRETIVE PROVISIONS

1.1 DEFINITIONS

As used in this Grant Agreement, unless a different definition is specified, or the context clearly indicates otherwise, the following terms and conditions have the meanings assigned below:

"Amendment" means a written agreement, signed by the Parties, which documents changes to the Grant Agreement.

"Contract" or "Grant Agreement" means the agreement entered into by the Parties, including the Signature Document, these Uniform Terms and Conditions, along with any attachments and amendments that may be issued by the System Agency.

"Deliverables" means the goods, services, and work product, including all reports and project documentation, required to be provided by Grantee to the System Agency.

"DSHS" means the Department of State Health Services.

"Effective Date" means the date on which the Grant Agreement takes effect.

"Federal Fiscal Year" means the period beginning October 1 and ending September 30 each year, which is the annual accounting period for the United States government.

"GAAP" means Generally Accepted Accounting Principles.

"GASB" means the Governmental Accounting Standards Board.

"Grantee" means the Party receiving funds under this Grant Agreement. May also be referred to as "subrecipient" or "contractor" in this document.

"HHSC" means the Texas Health and Human Services Commission.

"Health and Human Services" or "HHS" includes HHSC and DSHS.

"Intellectual Property Rights" means the worldwide proprietary rights or interests, including patent, copyright, trade secret, and trademark rights, as such right may be evidenced by or embodied in:

i. any idea, design, concept, personality right, method, process, technique, apparatus, invention, discovery, or improvement;
ii. any work of authorship, including any compilation, computer code, website or web page design, literary work, pictorial work, or graphic work;
iii. any trademark, service mark, trade dress, trade name, branding, or other indicia of source or origin;
iv. domain name registrations; and
v. any other proprietary or similar rights. The Intellectual Property Rights of a Party include all worldwide proprietary rights or interests that the Party may have acquired by assignment, by exclusive license, or by license with the right to grant sublicenses.

"Parties" means the System Agency and Grantee, collectively.

"Party" means either the System Agency or Grantee, individually.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

"Project" means specific activities of the Grantee that are supported by funds provided under this Grant Agreement.

"Signature Document" means the document executed by all Parties for this Grant Agreement.

"Solicitation," "Funding Announcement" or "Request for Applications (RFA)" means the document (including all exhibits, attachments, and published addenda), issued by the System Agency under which applications for grant funds were requested, which is incorporated by reference in the Grant Agreement for all purposes in its entirety.

"Solicitation Response" or "Application" means Grantee's full and complete Solicitation response (including any attachments and addenda), which is incorporated by reference in the Grant Agreement for all purposes in its entirety.

"State Fiscal Year" means the period beginning September 1 and ending August 31 each year, which is the annual accounting period for the State of Texas.

"State of Texas *Textravel*" means the Texas Comptroller of Public Accounts' state travel rules, policies, and guidelines.

"Statement of Work" means the description of activities Grantee must perform to complete the Project, as specified in the Grant Agreement and as may be amended.

"System Agency" means HHSC or DSHS, as applicable.

"Work Product" means any and all works, including work papers, notes, materials, approaches, designs, specifications, systems, innovations, improvements, inventions, software, programs, source code, documentation, training materials, audio or audiovisual recordings, methodologies, concepts, studies, reports, whether finished or unfinished, and whether or not included in the deliverables, that are developed, produced, generated or provided by Grantee in connection with Grantee's performance of its duties under the Grant Agreement or through use of any funding provided under this Grant Agreement.

"Texas Grant Management Standards" or "TxGMS" means uniform grant and contract administration procedures, developed under the authority of Chapter 783 of the Texas Government Code, to promote the efficient use of public funds in local government and in programs requiring cooperation among local, state, and federal agencies. Under this Grant Agreement, TxGMS applies to Grantee except as otherwise provided by applicable law or directed by System Agency. Additionally, except as otherwise provided by applicable law, in the event of a conflict between TxGMS and applicable federal or state law, federal law prevails over state law and state law prevails over TxGMS.

1.2 INTERPRETIVE PROVISIONS

A. The meanings of defined terms include the singular and plural forms.
B. The words "hereof," "herein," "hereunder," and similar words refer to this Grant Agreement as a whole and not to any particular provision, section, attachment, or schedule of this Grant Agreement unless otherwise specified.
C. The term "including" is not limiting and means "including without limitation" and, unless otherwise expressly provided in this Grant Agreement, (i) references to contracts

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

(including this Grant Agreement) and other contractual instruments shall be deemed to include all subsequent Amendments and other modifications, but only to the extent that such Amendments and other modifications are not prohibited by the terms of this Grant Agreement, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting the statute or regulation.

D. Any references to agreements, contracts, statutes, or administrative rules or regulations in the Grant Agreement are references to these documents as amended, modified, or supplemented during the term of the Grant Agreement.
E. The captions and headings of this Grant Agreement are for convenience of reference only and do not affect the interpretation of this Grant Agreement.
F. All attachments, including those incorporated by reference, and any Amendments are considered part of the terms of this Grant Agreement.
G. This Grant Agreement may use several different limitations, regulations, or policies to regulate the same or similar matters. All such limitations, regulations, and policies are cumulative.
H. Unless otherwise expressly provided, reference to any action of the System Agency or by the System Agency by way of consent, approval, or waiver will be deemed modified by the phrase "in its sole discretion."
I. Time is of the essence in this Grant Agreement.
J. Prior to execution of the Grant Agreement, Grantee must notify System Agency's designated contact in writing of any ambiguity, conflict, discrepancy, omission, or other error. If Grantee fails to notify the System Agency designated contact of any ambiguity, conflict, discrepancy, omission or other error in the Grant Agreement prior to Grantee's execution of the Grant Agreement, Grantee:
    i. Shall have waived any claim of error or ambiguity in the Grant Agreement; and
    ii. Shall not contest the interpretation by the System Agency of such provision(s).

No grantee will be entitled to additional reimbursement, relief, or time by reason of any ambiguity, conflict, discrepancy, exclusionary specification, omission, or other error or its later correction.

ARTICLE II. PAYMENT PROVISIONS

2.1 Prompt Payment

Payment shall be made in accordance with Chapter 2251 of the Texas Government Code, commonly known as the Texas Prompt Payment Act. Chapter 2251 of the Texas Government Code shall govern remittance of payment and remedies for late payment and non-payment.

2.2 Taxes

Grantee represents and warrants that it shall pay all taxes or similar amounts resulting from the Grant Agreement, including, but not limited to, any federal, State, or local income, sales or excise taxes of Grantee or its employees. System Agency shall not be liable for any taxes resulting from the Grant Agreement.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

2.3 Ancillary and Travel Expenses

A. Except as otherwise provided in the Grant Agreement, no ancillary expenses incurred by the Grantee in connection with its provision of the services or deliverables will be reimbursed by the System Agency. Ancillary expenses include, but are not limited to, costs associated with transportation, delivery, and insurance for each deliverable.

B. Except as otherwise provided in the Grant Agreement, when the reimbursement of travel expenses is authorized by the Grant Agreement, all such expenses will be reimbursed in accordance with the rates set by the Texas Comptroller's *Textravel* guidelines, which can currently be accessed at: https://fmx.cpa.texas.gov/fmx/travel/textravel/.

2.4 Billing

Unless otherwise provided in the Grant Agreement, Grantee shall bill the System Agency in accordance with the Grant Agreement. Unless otherwise specified in the Grant Agreement, Grantee shall submit requests for reimbursement or payment monthly by the last business day of the month following the month in which expenses were incurred or services provided. Grantee shall maintain all documentation that substantiates invoices and make the documentation available to the System Agency upon request.

2.5 Use of Funds

Grantee shall expend funds under this Grant Agreement only for approved services and for reasonable and allowable expenses directly related to those services.

2.6 Use for Match Prohibited

Grantee shall not use funds provided under this Grant Agreement for matching purposes in securing other funding without the written approval of the System Agency.

2.7 Program Income

Program income refers to gross income directly generated by a supporting activity during the period of performance. Unless otherwise required under the Grant Agreement, Grantee shall use Program Income, as provided in TxGMS, to further the Project, and Grantee shall spend the Program Income on the Project. Grantee shall identify and report Program Income in accordance with the Grant Agreement, applicable law, and any programmatic guidance. Grantee shall expend Program Income during the Grant Agreement term, when earned, and may not carry Program Income forward to any succeeding term. Grantee shall refund Program Income to the System Agency if the Program Income is not expended in the term in which it is earned. The System Agency may base future funding levels, in part, upon Grantee's proficiency in identifying, billing, collecting, and reporting Program Income, and in using Program Income for the purposes and under the conditions specified in this Grant Agreement.

2.8 Nonsupplanting

Grant funds must be used to supplement existing, new or corresponding programming and related activities. Grant funds may not be used to supplant (replace) existing funds that have been appropriated, allocated, or disbursed for the same purpose. System Agency may conduct Grant monitoring or audits may be conducted to review, among other things, Grantee's compliance with this provision.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

2.9 Indirect Cost Rates

The System Agency may acknowledge an indirect cost rate for Grantees that is utilized for all applicable Grant Agreements. For subrecipients receiving federal funds, indirect cost rates will be determined in accordance with applicable law including, but not limited to, 2 CFR 200.414(f). For recipients receiving state funds, indirect costs will be determined in accordance with applicable law including, but not limited to, TxGMS. Grantees funded with blended federal and state funding will be subject to both state and federal requirements when determining indirect costs. In the event of a conflict between TxGMS and applicable federal law or regulation, the provisions of federal law or regulation will apply. Grantee will provide any necessary financial documents to determine the indirect cost rate in accordance with the Uniform Grant Guidance (UGG) and TxGMS.

ARTICLE III. STATE AND FEDERAL FUNDING

3.1 Excess Obligations Prohibited

This Grant Agreement is subject to termination or cancellation, without penalty to System Agency, either in whole or in part, subject to the availability and actual receipt by System Agency of state or federal funds. System Agency is a state agency whose authority and appropriations are subject to actions of the Texas Legislature. If System Agency becomes subject to a legislative change, revocation of statutory authority, or lack of appropriated funds that would render either System Agency's or Grantee's delivery or performance under the Grant Agreement impossible or unnecessary, the Grant Agreement will be terminated or cancelled and be deemed null and void. In the event of a termination or cancellation under this Section, System Agency will not be liable to Grantee for any damages that are caused or associated with such termination or cancellation, and System Agency will not be required to give prior notice. Additionally, System Agency will not be liable to Grantee for any remaining unpaid funds under this Grant Agreement at time of termination.

3.2 No Debt Against the State

This Grant Agreement will not be construed as creating any debt by or on behalf of the State of Texas.

3.3 Debts and Delinquencies

Grantee agrees that any payments due under the Grant Agreement shall be directly applied towards eliminating any debt or delinquency it has to the State of Texas including, but not limited to, delinquent taxes, delinquent student loan payments, and delinquent child support during the entirety of the Grant Agreement term.

3.4 Refunds and Overpayments

A. At its sole discretion, the System Agency may (i) withhold all or part of any payments to Grantee to offset overpayments, unallowable or ineligible costs made to the Grantee, or if any required financial status report(s) is not submitted by the due date(s); or (ii) require Grantee to promptly refund or credit - within thirty (30) calendar days of written notice – to System Agency any funds erroneously paid by System Agency which are not expressly authorized under the Grant Agreement.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

B. "Overpayments" as used in this Section include payments (i) made by the System Agency that exceed the maximum allowable rates; (ii) that are not allowed under applicable laws, rules, or regulations; or (iii) that are otherwise inconsistent with this Grant Agreement, including any unapproved expenditures. Grantee understands and agrees that it shall be liable to the System Agency for any costs disallowed pursuant to financial and compliance audit(s) of funds received under this Grant Agreement. Grantee further understands and agrees that reimbursement of such disallowed costs shall be paid by Grantee from funds which were not provided or otherwise made available to Grantee under this Grant Agreement.

ARTICLE IV. ALLOWABLE COSTS AND AUDIT REQUIREMENTS

4.1 Allowable Costs

A. Allowable Costs are restricted to costs that are authorized under Texas Uniform Grant Management Standards (TxGMS) and applicable state and federal rules and laws. This Grant Agreement is subject to all applicable requirements of TxGMS, including the criteria for Allowable Costs. Additional federal requirements apply if this Grant Agreement is funded, in whole or in part, with federal funds.

B. System Agency will reimburse Grantee for actual, allowable, and allocable costs incurred by Grantee in performing the Project, provided the costs are sufficiently documented. Grantee must have incurred a cost prior to claiming reimbursement and within the applicable term to be eligible for reimbursement under this Grant Agreement. At its sole discretion, the System Agency will determine whether costs submitted by Grantee are allowable and eligible for reimbursement. The System Agency may take repayment (recoup) from remaining funds available under this Grant Agreement in amounts necessary to fulfill Grantee's repayment obligations. Grantee and all payments received by Grantee under this Grant Agreement are subject to applicable cost principles, audit requirements, and administrative requirements including applicable provisions under 2 CFR 200, 48 CFR Part 31, and TxGMS.

C. OMB Circulars will be applied with the modifications prescribed by TxGMS with effect given to whichever provision imposes the more stringent requirement in the event of a conflict.

4.2 Audits and Financial Statements

A. Audits

i. Grantee understands and agrees that Grantee is subject to any and all applicable audit requirements found in state or federal law or regulation or added by this Grant Agreement

ii. HHS Single Audit Unit will notify Grantee to complete the Single Audit Determination Form. If Grantee fails to complete the form within thirty (30) calendar days after receipt of notice, Grantee maybe subject to sanctions and remedies for non-compliance.

iii. If Grantee, within Grantee's fiscal year, expends at least SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($750,000) in federal funds awarded, Grantee shall have a single audit or program-specific audit in accordance with 2 CFR 200. The federal

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

threshold amount includes federal funds passed through by way of state agency awards.

iv. If Grantee, within Grantee's fiscal year, expends at least SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($750,000) in state funds awarded, Grantee shall have a single audit or program-specific audit in accordance with TxGMS. The audit must be conducted by an independent certified public accountant and in accordance with 2 CFR 200, Government Auditing Standards, and TxGMS.

v. For-profit Grantees whose expenditures meet or exceed the federal or state expenditure thresholds stated above shall follow the guidelines in 2 CFR 200 or TxGMS, as applicable, for their program-specific audits.

vi. Each Grantee required to obtain a single audit must competitively re-procure single audit services once every six years. Grantee shall procure audit services in compliance with this section, state procurement procedures, as well as with applicable provisions of 2 CFR 200 and TxGMS.

B. Financial Statements.

Each Grantee that does not meet the expenditure threshold for a single audit or program-specific audit, must provide financial statements for the audit period.

4.3 Submission of Audits and Financial Statements

A. Audits.

Due the earlier of 30 days after receipt of the independent certified public accountant's report or nine months after the end of the fiscal year, Grantee shall submit one electronic copy of the single audit or program-specific audit to the System Agency via:

i. HHS portal at https://hhsportal.hhs.state.tx.us/heartwebextr/hhscSau or,

ii. Email to: single_audit_report@hhsc.state.tx.us.

B. Financial Statements.

Due no later than nine months after the Grantee's fiscal year-end, Grantees not required to submit an audit, shall submit one electronic copy of their financial statements via:

i. HHS portal at https://hhsportal.hhs.state.tx.us/heartwebextr/hhscSau; or,

ii. Email to: single_audit_report@hhsc.state.tx.us.

ARTICLE V. WARRANTY, AFFIRMATIONS, ASSURANCES AND CERTIFICATIONS

5.1 Warranty

Grantee warrants that all work under this Grant Agreement shall be completed in a manner consistent with standards under the terms of this Grant Agreement, in the applicable trade, profession, or industry; shall conform to or exceed the specifications set forth in the Grant Agreement; and all deliverables shall be fit for ordinary use, of good quality, and with no material defects. If System Agency, in its sole discretion, determines Grantee has failed to complete work timely or to perform satisfactorily under conditions required by this Grant Agreement, the System Agency may require Grantee, at its sole expense, to:

i. Repair or replace all defective or damaged work;

ii. Refund any payment Grantee received from System Agency for all defective or damaged work and, in conjunction therewith, require Grantee to accept the return of such work; and,

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

iii. Take necessary action to ensure that Grantee's future performance and work conform to the Grant Agreement requirements.

5.2 General Affirmations

Grantee certifies that, to the extent affirmations are incorporated into the Grant Agreement, the Grantee has reviewed the affirmations and that Grantee is in compliance with all requirements.

5.3 Federal Assurances

Grantee further certifies that, to the extent federal assurances are incorporated into the Grant Agreement, the Grantee has reviewed the federal assurances and that Grantee is in compliance with all requirements.

5.4 Federal Certifications

Grantee further certifies that, to the extent federal certifications are incorporated into the Grant Agreement, the Grantee has reviewed the federal certifications and that Grantee is in compliance with all requirements. In addition, Grantee certifies that it is in compliance with all applicable federal laws, rules, and regulations, as they may pertain to this Grant Agreement.

5.5 State Assurances

Except to the extent of any conflict under applicable law or requirements or guidelines of any federal awarding agency from which funding for this Grant Agreement originated, the Grantee must comply with the applicable state assurances included within the TxGMS which are incorporated here by reference.

ARTICLE VI. INTELLECTUAL PROPERTY

6.1 Ownership of Work Product

A. All right, title, and interest in the Work Product, including all Intellectual Property Rights therein, is exclusively owned by System Agency. Grantee and Grantee's employees will have no rights in or ownership of the Work Product or any other property of System Agency.

B. Any and all Work Product that is copyrightable under United States copyright law is deemed to be "work made for hire" owned by System Agency, as provided by Title 17 of the United States Code. To the extent that Work Product does not qualify as a "work made for hire" under applicable federal law, Grantee hereby irrevocably assigns and transfers to System Agency, its successors and assigns, the entire right, title, and interest in and to the Work Product, including any and all Intellectual Property Rights embodied therein or associated therewith, and in and to all works based upon, derived from, or incorporating the Work Product, and in and to all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present or future infringement based on the copyrights, and in and to all rights corresponding to the foregoing.

C. Grantee agrees to execute all papers and to perform such other acts as System Agency may deem necessary to secure for System Agency or its designee the rights herein assigned.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

D. In the event that Grantee has any rights in and to the Work Product that cannot be assigned to System Agency, Grantee hereby grants to System Agency an exclusive, worldwide, royalty-free, transferable, irrevocable, and perpetual license, with the right to sublicense, to reproduce, distribute, modify, create derivative works of, publicly perform and publicly display, make, have made, use, sell and offer for sale the Work Product and any products developed by practicing such rights.
E. The foregoing does not apply to Incorporated Pre-existing Works or Third Party IP that are incorporated in the Work Product by Grantee. Grantee shall provide System Agency access during normal business hours to all Grantee materials, premises, and computer files containing the Work Product.

6.2 Grantee's Pre-Existing Works

A. To the extent that Grantee incorporates into the Work Product any works of Grantee that were created by Grantee or that Grantee acquired rights in prior to the Effective Date of this Grant Agreement ("**Incorporated Pre-existing Works**"), Grantee retains ownership of such Incorporated Pre-existing Works.
B. Grantee hereby grants to System Agency an irrevocable, perpetual, non-exclusive, royalty-free, transferable, worldwide right and license, with the right to sublicense, to use, reproduce, modify, copy, create derivative works of, publish, publicly perform and display, sell, offer to sell, make and have made, the Incorporated Pre-existing Works, in any medium, with or without the associated Work Product.
C. Grantee represents, warrants, and covenants to System Agency that Grantee has all necessary right and authority to grant the foregoing license in the Incorporated Pre-existing Works to System Agency.

6.3 Third Party IP

A. To the extent that any Third Party IP is included or incorporated in the Work Product by Grantee, Grantee hereby grants to System Agency, or shall obtain from the applicable third party for System Agency's benefit, the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license, for System Agency's internal business or governmental purposes only, to use, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such Third Party IP and any derivative works thereof embodied in or delivered to System Agency in conjunction with the Work Product, and to authorize others to do any or all of the foregoing.
B. Grantee shall obtain System Agency's advance written approval prior to incorporating any Third Party IP into the Work Product, and Grantee shall notify System Agency on delivery of the Work Product if such materials include any Third Party IP.
C. Grantee shall provide System Agency all supporting documentation demonstrating Grantee's compliance with this Section 6.3, including without limitation documentation indicating a third party's written approval for Grantee to use any Third Party IP that may be incorporated in the Work Product.

6.4 Agreements with Employees and Subcontractors

Grantee shall have written, binding agreements with its employees and subcontractors that include provisions sufficient to give effect to and enable Grantee's compliance with Grantee's obligations under this Article VI, Intellectual Property.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

6.5 Delivery upon Termination or Expiration

No later than the first calendar day after the termination or expiration of the Grant Agreement or upon System Agency's request, Grantee shall deliver to System Agency all completed, or partially completed, Work Product, including any Incorporated Pre-existing Works, and any and all versions thereof. Grantee's failure to timely deliver such Work Product is a material breach of the Grant Agreement. Grantee will not retain any copies of the Work Product or any documentation or other products or results of Grantee's activities under the Grant Agreement without the prior written consent of System Agency.

6.6 Survival

The provisions and obligations of this Article survive any termination or expiration of the Grant Agreement.

6.7 System Agency Data

A. As between the Parties, all data and information acquired, accessed, or made available to Grantee by, through, or on behalf of System Agency or System Agency contractors, including all electronic data generated, processed, transmitted, or stored by Grantee in the course of providing data processing services in connection with Grantee's performance hereunder (the "System Agency Data"), is owned solely by System Agency.
B. Grantee has no right or license to use, analyze, aggregate, transmit, create derivatives of, copy, disclose, or process the System Agency Data except as required for Grantee to fulfill its obligations under the Grant Agreement or as authorized in advance in writing by System Agency.
C. For the avoidance of doubt, Grantee is expressly prohibited from using, and from permitting any third party to use, System Agency Data for marketing, research, or other non-governmental or commercial purposes, without the prior written consent of System Agency.
D. Grantee shall make System Agency Data available to System Agency, including to System Agency's designated vendors, as directed in writing by System Agency. The foregoing shall be at no cost to System Agency.
E. Furthermore, the proprietary nature of Grantee's systems that process, store, collect, and/or transmit the System Agency Data shall not excuse Grantee's performance of its obligations hereunder.

ARTICLE VII. PROPERTY

7.1 Use of State Property

A. Grantee is prohibited from using State Property for any purpose other than performing Services authorized under the Grant Agreement.
B. State Property includes, but is not limited to, System Agency's office space, identification badges, System Agency information technology equipment and networks (*e.g.,* laptops, portable printers, cell phones, iPads or tablets, external hard drives, data storage devices, any System Agency-issued software, and the System Agency Virtual Private Network (VPN client)), and any other resources of System Agency.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

C. Grantee shall not remove State Property from the continental United States. In addition, Grantee may not use any computing device to access System Agency's network or e-mail while outside of the continental United States.
D. Grantee shall not perform any maintenance services on State Property unless the Grant Agreement expressly authorizes such Services.
E. During the time that State Property is in the possession of Grantee, Grantee shall be responsible for:
   i. all repair and replacement charges incurred by State Agency that are associated with loss of State Property or damage beyond normal wear and tear, and
   ii. all charges attributable to Grantee's use of State Property that exceeds the Grant Agreement scope. Grantee shall fully reimburse such charges to System Agency within ten (10) calendar days of Grantee's receipt of System Agency's notice of amount due. Use of State Property for a purpose not authorized by the Grant Agreement shall constitute breach of contract and may result in termination of the Grant Agreement and the pursuit of other remedies available to System Agency under contract, at law, or in equity.

7.2 Damage to State Property

A. In the event of loss, destruction, or damage to any System Agency or State of Texas owned, leased, or occupied property or equipment by Grantee or Grantee's employees, agents, Subcontractors, or suppliers, Grantee shall be liable to System Agency and the State of Texas for the full cost of repair, reconstruction, or replacement of the lost, destroyed, or damaged property.
B. Grantee shall notify System Agency of the loss, destruction, or damage of equipment or property within one (1) business day. Grantee shall reimburse System Agency and the State of Texas for such property damage within ten (10) calendar days after Grantee's receipt of System Agency's notice of amount due.

7.3 Property Rights upon Termination or Expiration of Contract

In the event the Grant Agreement is terminated for any reason or expires, State Property remains the property of the System Agency and must be returned to the System Agency by the earlier of the end date of the Grant Agreement or upon System Agency's request.

7.4 Equipment and Property

A. The Grantee must ensure equipment with a per-unit cost of $5,000 or greater purchased with grant funds under this award is used solely for the purpose of this Grant or is properly pro-rated for use under this Grant. Grantee must have control systems to prevent loss, damage, or theft of property funded under this Grant. Grantee shall maintain equipment management and inventory procedures for equipment, whether acquired in part or whole with grant funds, until disposition occurs.
B. When equipment acquired by Grantee under this Grant Agreement is no longer needed for the original project or for other activities currently supported by System Agency, the Grantee must properly dispose of the equipment pursuant to 2 CFR and/or TxGMS, as applicable. Upon termination of this Grant Agreement, use and disposal of equipment by the Grantee shall conform with TxGMS requirements.
C. Grantee shall initiate the purchase of all equipment approved in writing by the System Agency in accordance with the schedule approved by System Agency, as applicable.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

Failure to timely initiate the purchase of equipment may result in the loss of availability of funds for the purchase of equipment. Requests to purchase previously approved equipment after the first quarter in the Grant Agreement must be submitted to the assigned System Agency contract manager.

D. Controlled Assets include firearms, regardless of the acquisition cost, and the following assets with an acquisition cost of $500 or more, but less than $5,000: desktop and laptop computers (including notebooks, tablets and similar devices), non-portable printers and copiers, emergency management equipment, communication devices and systems, medical and laboratory equipment, and media equipment. Controlled Assets are considered supplies.

E. System Agency funds must not be used to purchase buildings or real property without prior written approval from System Agency. Any costs related to the initial acquisition of the buildings or real property are not allowable without written pre-approval.

ARTICLE VIII. RECORD RETENTION, AUDIT, AND CONFIDENTIALITY

8.1 Record Maintenance and Retention

A. Grantee shall keep and maintain under GAAP or GASB, as applicable, full, true, and complete records necessary to fully disclose to the System Agency, the Texas State Auditor's Office, the United States Government, and their authorized representatives sufficient information to determine compliance with the terms and conditions of this Grant Agreement and all state and federal rules, regulations, and statutes.

B. Grantee shall maintain and retain legible copies of this Grant Agreement and all records relating to the performance of the Grant Agreement, including supporting fiscal documents adequate to ensure that claims for grant funds are in accordance with applicable State of Texas requirements. These records shall be maintained and retained by the Grantee for a minimum of seven (7) years after the Grant Agreement expiration date or seven (7) years after all audits, claims, litigation or disputes involving the Grant Agreement are resolved, whichever is later.

8.2 Agency's Right to Audit

A. Grantee shall make available at reasonable times and upon reasonable notice, and for reasonable periods, work papers, reports, books, records, supporting documents kept current by Grantee pertaining to the Grant Agreement for purposes of inspecting, monitoring, auditing, or evaluating by System Agency and the State of Texas.

B. In addition to any right of access arising by operation of law, Grantee and any of Grantee's affiliate or subsidiary organizations, or Subcontractors shall permit the System Agency or any of its duly authorized representatives, as well as duly authorized federal, state or local authorities, unrestricted access to and the right to examine any site where business is conducted or services are performed, and all records, which includes but is not limited to financial, client and patient records, books, papers or documents related to this Grant Agreement. If the Grant Agreement includes federal funds, federal agencies that shall have a right of access to records as described in this section include: the federal agency providing the funds, the Comptroller General of the United States, the General Accounting Office, the Office of the Inspector General, and any of their authorized

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

representatives. In addition, agencies of the State of Texas that shall have a right of access to records as described in this section include: the System Agency, HHS's contracted examiners, the State Auditor's Office, the Office of the Texas Attorney General, and any successor agencies. Each of these entities may be a duly authorized authority.

C. If deemed necessary by the System Agency or any duly authorized authority, for the purpose of investigation or hearing, Grantee shall produce original documents related to this Grant Agreement.
D. The System Agency and any duly authorized authority shall have the right to audit billings both before and after payment, and all documentation that substantiates the billings.
E. Grantee shall include this provision concerning the right of access to, and examination of, sites and information related to this Grant Agreement in any Subcontract it awards.

8.3 Response/Compliance with Audit or Inspection Findings

A. Grantee must act to ensure its and its Subcontractors' compliance with all corrections necessary to address any finding of noncompliance with any law, regulation, audit requirement, or generally accepted accounting principle, or any other deficiency identified in any audit, review, or inspection of the Grant Agreement and the services and Deliverables provided. Any such correction will be at Grantee's or its Subcontractor's sole expense. Whether Grantee's action corrects the noncompliance shall be solely the decision of the System Agency.
B. As part of the services, Grantee must provide to HHS upon request a copy of those portions of Grantee's and its Subcontractors' internal audit reports relating to the services and Deliverables provided to the State under the Grant Agreement.

8.4 State Auditor's Right to Audit

The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Grant Agreement or indirectly through a subcontract under the Grant Agreement. The acceptance of funds directly under the Grant Agreement or indirectly through a subcontract under the Grant Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

8.5 Confidentiality

Grantee shall maintain as confidential and shall not disclose to third parties without System Agency's prior written consent, any System Agency information including but not limited to System Agency's business activities, practices, systems, conditions and services. This section will survive termination or expiration of this Grant Agreement. This requirement must be included in all subcontracts awarded by Grantee.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ARTICLE IX. GRANT REMEDIES, TERMINATION AND PROHIBITED ACTIVITIES

9.1 REMEDIES

A. To ensure Grantee's full performance of the Grant Agreement and compliance with applicable law, System Agency reserves the right to hold Grantee accountable for breach of contract or substandard performance and may take remedial or corrective actions, including, but not limited to the following:
   i. temporarily withholding cash disbursements or reimbursements pending correction of the deficiency;
   ii. disallowing or denying use of funds for the activity or action deemed not to be in compliance;
   iii. disallowing claims for reimbursement that may require a partial or whole return of previous payments or reimbursements;
   iv. suspending all or part of the Grant Agreement;
   v. requiring the Grantee to take specific actions in order to remain in compliance with the Grant Agreement;
   vi. recouping payments made by the System Agency to the Grantee found to be in error;
   vii. suspending, limiting, or placing conditions on the Grantee's continued performance of the Project;
   viii. prohibiting the Grantee from receiving additional funds for other grant programs administered by the System Agency until satisfactory compliance resolution is obtained;
   ix. withholding release of new grant agreements; and
   x. imposing any other remedies, sanctions or penalties authorized under this Grant Agreement or permitted by federal or state statute, law, regulation or rule.

B. Unless expressly authorized by System Agency, Grantee may not be entitled to reimbursement for expenses incurred while the Grant Agreement is suspended.

C. No action taken by System Agency in exercising remedies or imposing sanctions will constitute or operate as a waiver of any other rights or remedies available to System Agency under the Grant Agreement or pursuant to law. Additionally, no action taken by System Agency in exercising remedies or imposing sanctions will constitute or operate as an acceptance, waiver, or cure of Grantee's breach. Unless expressly authorized by System Agency, Grantee may not be entitled to reimbursement for expenses incurred while the Grant Agreement is suspended or after termination.

9.2 TERMINATION FOR CONVENIENCE

The System Agency may terminate the Grant Agreement, in whole or in part, at any time when, in its sole discretion, the System Agency determines that termination is in the best interests of the State of Texas. The termination will be effective on the date specified in the System Agency's notice of termination.

9.3 TERMINATION FOR CAUSE

A. Except as otherwise provided by the U.S. Bankruptcy Code, or any successor law, the System Agency may terminate the Grant Agreement, in whole or in part, upon either of the following conditions:

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

i. Material Breach

The System Agency may terminate the Grant Agreement, in whole or in part, if the System Agency determines, in its sole discretion, that Grantee has materially breached the Grant Agreement or has failed to adhere to any laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, whether or not such violation prevents or substantially impairs performance of Grantee's duties under the Grant Agreement. Grantee's misrepresentation in any aspect including, but not limited to, of Grantee's Solicitation Application, if any, or Grantee's addition to the SAM exclusion list (identification in SAM as an excluded entity) may also constitute a material breach of the Grant Agreement.

ii. Failure to Maintain Financial Viability

The System Agency may terminate the Grant Agreement if the System Agency, in its sole discretion, determines that Grantee no longer maintains the financial viability required to complete the services and deliverables, or otherwise fully perform its responsibilities under the Grant Agreement.

B. System Agency will specify the effective date of such termination in the notice to Grantee. If no effective date is specified, the Grant Agreement will terminate on the date of the notification.

9.4 Grantee Responsibility for System Agency's Termination Costs

If the System Agency terminates the Grant Agreement for cause, the Grantee shall be responsible to the System Agency for all costs incurred by the System Agency and the State of Texas to replace the Grantee. These costs include, but are not limited to, the costs of procuring a substitute grantee and the cost of any claim or litigation attributable to Grantee's failure to perform any work in accordance with the terms of the Grant Agreement.

9.5 Inherently Religious Activities

Grantee may not use grant funding to engage in inherently religious activities, such as proselytizing, scripture study, or worship. Grantees may engage in inherently religious activities; however, these activities must be separate in time or location from the grant-funded program. Moreover, grantees must not compel program beneficiaries to participate in inherently religious activities. These requirements apply to all grantees, not just faith-based organizations.

9.6 Political Activities

Grant funds cannot be used for the following activities:

A. Grantees and their relevant sub-grantees or subcontractors are prohibited from using grant funds directly or indirectly for political purposes, including lobbying, advocating for legislation, campaigning for, endorsing, contributing to, or otherwise supporting political candidates or parties, and voter registration campaigns. Grantees may use private, or non-System Agency money or contributions for political purposes but may not charge to, or be reimbursed from, System Agency contracts or grants for the costs of such activities.

B. Grant-funded employees may not use official authority or influence to achieve any political purpose and grant funds cannot be used for the salary, benefits, or any other compensation of an elected official.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

C. Grant funds may not be used to employ, in any capacity, a person who is required by Chapter 305 of the Texas Government Code to register as a lobbyist. Additionally, grant funds cannot be used to pay membership dues to an organization that partially or wholly pays the salary of a person who is required by Chapter 305 of the Texas Government Code to register as a lobbyist.

D. As applicable, Grantee will comply with 31 USC § 1352, relating to the limitation on use of appropriated funds to influence certain Federal contracting and financial transactions.

ARTICLE X. INDEMNITY

10.1 General Indemnity

A. GRANTEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND SYSTEM AGENCY, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEYS' FEES, AND EXPENSES ARISING OUT OF OR RESULTING FROM ANY ACTS OR OMISSIONS OF GRANTEE OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE GRANT AGREEMENT AND ANY PURCHASE ORDERS ISSUED UNDER THE GRANT AGREEMENT.

B. THIS PARAGRAPH IS NOT INTENDED TO AND WILL NOT BE CONSTRUED TO REQUIRE GRANTEE TO INDEMNIFY OR HOLD HARMLESS THE STATE OR THE SYSTEM AGENCY FOR ANY CLAIMS OR LIABILITIES RESULTING FROM THE NEGLIGENT ACTS OR OMISSIONS OF THE SYSTEM AGENCY OR ITS EMPLOYEES.

C. For the avoidance of doubt, System Agency shall not indemnify Grantee or any other entity under the Grant Agreement.

10.2 Intellectual Property

GRANTEE SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE SYSTEM AGENCY AND THE STATE OF TEXAS FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS, OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET, OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH OR ARISING FROM:

i. THE PERFORMANCE OR ACTIONS OF GRANTEE PURSUANT TO THIS GRANT AGREEMENT;

ii. ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR

iii. SYSTEM AGENCY'S AND/OR GRANTEE'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO SYSTEM AGENCY BY GRANTEE OR OTHERWISE TO WHICH SYSTEM

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

AGENCY HAS ACCESS AS A RESULT OF GRANTEE'S PERFORMANCE UNDER THE GRANT AGREEMENT.

10.3 Additional Indemnity Provisions

A. GRANTEE AND SYSTEM AGENCY AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY INDEMNITY CLAIM. GRANTEE SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES.

B. THE DEFENSE SHALL BE COORDINATED BY THE GRANTEE WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND GRANTEE MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL.

C. GRANTEE SHALL REIMBURSE SYSTEM AGENCY AND THE STATE OF TEXAS FOR ANY CLAIMS, DAMAGES, COSTS, EXPENSES OR OTHER AMOUNTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND COURT COSTS, ARISING FROM ANY SUCH CLAIM. IF THE SYSTEM AGENCY DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF GRANTEE OR IF SYSTEM AGENCY IS REQUIRED BY APPLICABLE LAW TO SELECT SEPARATE COUNSEL, SYSTEM AGENCY WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND GRANTEE SHALL PAY ALL REASONABLE COSTS OF SYSTEM AGENCY'S COUNSEL.

ARTICLE XI. GENERAL PROVISIONS

11.1 Amendments

Except as otherwise expressly provided, the Grant Agreement may only be amended by a written Amendment executed by both Parties.

11.2 No Quantity Guarantees

The System Agency makes no guarantee of volume or usage of work under this Grant Agreement. All work requested may be on an irregular and as needed basis throughout the Grant Agreement term.

11.3 Child Abuse Reporting Requirements

A. Grantees shall comply with child abuse and neglect reporting requirements in Texas Family Code Chapter 261. This section is in addition to and does not supersede any other legal obligation of the Grantee to report child abuse.

B. Grantee shall use the Texas Abuse Hotline Website located at https://www.txabusehotline.org/Login/Default.aspx as required by the System Agency. Grantee shall retain reporting documentation on site and make it available for inspection by the System Agency.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

11.4 Certification of Meeting or Exceeding Tobacco-Free Workplace Policy Minimum Standards

A. Grantee certifies that it has adopted and enforces a Tobacco-Free Workplace Policy that meets or exceeds all of the following minimum standards of:
   i. Prohibiting the use of all forms of tobacco products, including but not limited to cigarettes, cigars, pipes, water pipes (hookah), bidis, kreteks, electronic cigarettes, smokeless tobacco, snuff and chewing tobacco;
   ii. Designating the property to which this Policy applies as a "designated area," which must at least comprise all buildings and structures where activities funded under this Grant Agreement are taking place, as well as Grantee owned, leased, or controlled sidewalks, parking lots, walkways, and attached parking structures immediately adjacent to this designated area;
   iii. Applying to all employees and visitors in this designated area; and
   iv. Providing for or referring its employees to tobacco use cessation services.

B. If Grantee cannot meet these minimum standards, it must obtain a waiver from the System Agency.

11.5 Insurance and Bonds

Unless otherwise specified in this Contract, Grantee shall acquire and maintain, for the duration of this Contract, insurance coverage necessary to ensure proper fulfillment of this Contract and potential liabilities thereunder with financially sound and reputable insurers licensed by the Texas Department of Insurance, in the type and amount customarily carried within the industry as determined by the System Agency. Grantee shall provide evidence of insurance as required under this Contract, including a schedule of coverage or underwriter's schedules establishing to the satisfaction of the System Agency the nature and extent of coverage granted by each such policy, upon request by the System Agency. In the event that any policy is determined by the System Agency to be deficient to comply with the terms of this Contract, Grantee shall secure such additional policies or coverage as the System Agency may reasonably request or that are required by law or regulation. If coverage expires during the term of this Contract, Grantee must produce renewal certificates for each type of coverage. In addition, if required by System Agency, Grantee must obtain and have on file a blanket fidelity bond that indemnifies System Agency against the loss or theft of any grant funds, including applicable matching funds. The fidelity bond must cover the entirety of the grant term and any subsequent renewals. The failure of Grantee to comply with these requirements may subject Grantee to remedial or corrective actions detailed in section 10.1, General Indemnity, above.

These and all other insurance requirements under the Grant apply to both Grantee and its Subcontractors, if any. Grantee is responsible for ensuring its Subcontractors' compliance with all requirements.

11.6 Limitation on Authority

A. Grantee shall not have any authority to act for or on behalf of the System Agency or the State of Texas except as expressly provided for in the Grant Agreement; no other authority, power, or use is granted or implied. Grantee may not incur any debt,

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

obligation, expense, or liability of any kind on behalf of System Agency or the State of Texas.

B. Grantee may not rely upon implied authority and is not granted authority under the Grant Agreement to:
   i. Make public policy on behalf of the System Agency;
   ii. Promulgate, amend, or disregard administrative regulations or program policy decisions made by State and federal agencies responsible for administration of a System Agency program; or
   iii. Unilaterally communicate or negotiate with any federal or state agency or the Texas Legislature on behalf of the System Agency regarding System Agency programs or the Grant Agreement. However, upon System Agency request and with reasonable notice from System Agency to the Grantee, the Grantee shall assist the System Agency in communications and negotiations regarding the Work under the Grant Agreement with state and federal governments.

11.7 Change in Laws and Compliance with Laws

Grantee shall comply with all laws, regulations, requirements and guidelines applicable to a Grantee providing services and products required by the Grant Agreement to the State of Texas, as these laws, regulations, requirements and guidelines currently exist and as amended throughout the term of the Grant Agreement. Notwithstanding Section 11.1, Amendments, above, System Agency reserves the right, in its sole discretion, to unilaterally amend the Grant Agreement to incorporate any modifications necessary for System Agency's compliance, as an agency of the State of Texas, with all applicable state and federal laws, regulations, requirements and guidelines.

11.8 Subcontractors

Grantee may not subcontract any or all of the Work and/or obligations under the Grant Agreement without prior written approval of the System Agency. Subcontracts, if any, entered into by the Grantee shall be in writing and be subject to the requirements of the Grant Agreement. Should Grantee subcontract any of the services required in the Grant Agreement, Grantee expressly understands and acknowledges System Agency is in no manner liable to any subcontractor(s) of Grantee. In no event shall this provision relieve Grantee of the responsibility for ensuring that the services performed under all subcontracts are rendered in compliance with the Grant Agreement.

11.9 Permitting and Licensure

At Grantee's sole expense, Grantee shall procure and maintain for the duration of this Grant Agreement any state, county, city, or federal license, authorization, insurance, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Grantee to provide the goods or services required by this Grant Agreement. Grantee shall be responsible for payment of all taxes, assessments, fees, premiums, permits, and licenses required by law. Grantee shall be responsible for payment of any such government obligations not paid by its Subcontractors during performance of this Grant Agreement.

11.10 Independent Contractor

Grantee and Grantee's employees, representatives, agents, Subcontractors, suppliers, and third-party service providers shall serve as independent contractors in providing the services

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

under the Grant Agreement. Neither Grantee nor System Agency is an agent of the other and neither may make any commitments on the other party's behalf. The Grantee is not a "governmental body" solely by virtue of this Grant Agreement or receipt of grant funds under this Grant Agreement. Grantee shall have no claim against System Agency for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind. The Grant Agreement shall not create any joint venture, partnership, agency, or employment relationship between Grantee and System Agency.

11.11 Governing Law and Venue

The Grant Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Grant Agreement is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to the System Agency.

11.12 Severability

If any provision contained in this Grant Agreement is held to be unenforceable by a court of law or equity, such construction will not affect the legality, validity, or enforceability of any other provision or provisions of this Grant Agreement. It is the intent and agreement of the Parties this Grant Agreement shall be deemed amended by modifying such provision to the extent necessary to render it valid, legal and enforceable while preserving its intent or, if such modification is not possible, by substituting another provision that is valid, legal and enforceable and that achieves the same objective. All other provisions of this Grant Agreement will continue in full force and effect.

11.13 Survivability

Expiration or termination of the Grant Agreement for any reason does not release Grantee from any liability or obligation set forth in the Grant Agreement that is expressly stated to survive any such expiration or termination, that by its nature would be intended to be applicable following any such expiration or termination, or that is necessary to fulfill the essential purpose of the Grant Agreement, including without limitation the provisions regarding return of grant funds, audit requirements, records retention, public information, warranty, indemnification, confidentiality, and rights and remedies upon termination.

11.14 Force Majeure

Neither Grantee nor System Agency shall be liable to the other for any delay in, or failure of performance, of any requirement included in the Grant Agreement caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, fires, explosions, hurricanes, floods, failure of transportation, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

11.15 No Implied Waiver of Provisions

The failure of the System Agency to object to or to take affirmative action with respect to any conduct of the Grantee which is in violation or breach of the terms of the Grant Agreement shall not be construed as a waiver of the violation or breach, or of any future violation or breach.

11.16 Funding Disclaimers and Labeling

A. Grantee shall not use System Agency's name or refer to System Agency directly or indirectly in any media appearance, public service announcement, or disclosure relating to this Grant Agreement including any promotional material without first obtaining written consent from System Agency. The foregoing prohibition includes, without limitation, the placement of banners, pop-up ads, or other advertisements promoting Grantee's or a third party's products, services, workshops, trainings, or other commercial offerings on any website portal or internet-based service or software application hosted or managed by Grantee. This does not limit the Grantee's responsibility to comply with obligations related to the Texas Public Information Act or Texas Open Meetings Act.

B. In general, no publication (including websites, reports, projects, etc.) may convey System Agency's recognition or endorsement of the Grantee's project without prior written approval from System Agency. Publications funded in part or wholly by HHS grant funding must include a statement that "HHS and neither any of its components operate, control, are responsible for, or necessarily endorse, this publication (including, without limitation, its content, technical infrastructure, and policies, and any services or tools provided)" at HHS's request.

11.17 Media Releases

A. Grantee shall not use System Agency's name, logo, or other likeness in any press release, marketing material or other announcement without System Agency's prior written approval. System Agency does not endorse any vendor, commodity, or service. Grantee is not authorized to make or participate in any media releases or public announcements pertaining to this Grant Agreement or the Services to which they relate without System Agency's prior written consent, and then only in accordance with explicit written instruction from System Agency.

B. Grantee may publish, at its sole expense, results of Grantee performance under the Grant Agreement with the System Agency's prior review and approval, which the System Agency may exercise at its sole discretion. Any publication (written, visual, or sound) will acknowledge the support received from the System Agency and any Federal agency, as appropriate.

11.18 Prohibition on Non-Compete Restrictions

Grantee shall not require any employees or Subcontractors to agree to any conditions, such as non-compete clauses or other contractual arrangements, that would limit or restrict such persons or entities from employment or contracting with the State of Texas.

11.19 Sovereign Immunity

Nothing in the Grant Agreement will be construed as a waiver of the System Agency's or the State's sovereign immunity. This Grant Agreement shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

System Agency or the State of Texas. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the System Agency or the State of Texas under the Grant Agreement or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered as a basis for estoppel. System Agency does not waive any privileges, rights, defenses, or immunities available to System Agency by entering into the Grant Agreement or by its conduct prior to or subsequent to entering into the Grant Agreement.

11.20 Entire Contract and Modification

The Grant Agreement constitutes the entire agreement of the Parties and is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Any additional or conflicting terms in any future document incorporated into the Grant Agreement will be harmonized with this Grant Agreement to the extent possible.

11.21 Counterparts

This Grant Agreement may be executed in any number of counterparts, each of which will be an original, and all such counterparts will together constitute but one and the same Grant Agreement.

11.22 Proper Authority

Each Party represents and warrants that the person executing this Grant Agreement on its behalf has full power and authority to enter into this Grant Agreement.

11.23 E-Verify Program

Grantee certifies that it utilizes and will continue to utilize the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of:

A. all persons employed to perform duties within Texas during the term of the Grant Agreement; and
B. all persons, (including subcontractors) assigned by the Grantee to perform work pursuant to the Grant Agreement within the United States of America.

11.24 Civil Rights

A. Grantee agrees to comply with state and federal anti-discrimination laws, including:
   i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.);
   ii. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794);
   iii. Americans with Disabilities Act of 1990 (42 U.S.C. §12101 et seq.);
   iv. Age Discrimination Act of 1975 (42 U.S.C. §§6101-6107);
   v. Title IX of the Education Amendments of 1972 (20 U.S.C. §§1681-1688);
   vi. Food and Nutrition Act of 2008 (7 U.S.C. §2011 et seq.); and
   vii. The System Agency's administrative rules, as set forth in the Texas Administrative Code, to the extent applicable to this Grant Agreement.
B. Grantee agrees to comply with all amendments to the above-referenced laws, and all requirements imposed by the regulations issued pursuant to these laws. These laws provide in part that no persons in the United States may, on the grounds of race, color, national origin, sex, age, disability, political beliefs, or religion, be excluded from

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

participation in or denied any aid, care, service or other benefits provided by Federal or State funding, or otherwise be subjected to discrimination.

C. Grantee agrees to comply with Title VI of the Civil Rights Act of 1964, and its implementing regulations at 45 C.F.R. Part 80 or 7 C.F.R. Part 15, prohibiting a contractor from adopting and implementing policies and procedures that exclude or have the effect of excluding or limiting the participation of clients in its programs, benefits, or activities on the basis of national origin. State and federal civil rights laws require contractors to provide alternative methods for ensuring access to services for applicants and recipients who cannot express themselves fluently in English. Grantee agrees to take reasonable steps to provide services and information, both orally and in writing, in appropriate languages other than English, in order to ensure that persons with limited English proficiency are effectively informed and can have meaningful access to programs, benefits, and activities.
D. Grantee agrees to post applicable civil rights posters in areas open to the public informing clients of their civil rights and including contact information for the HHS Civil Rights Office. The posters are available on the HHS website at: https://hhs.texas.gov/about-hhs/your-rights/civil-rights-office/civil-rights-posters.
E. Grantee agrees to comply with Executive Order 13279, and its implementing regulations at 45 C.F.R. Part 87 or 7 C.F.R. Part 16. These provide in part that any organization that participates in programs funded by direct financial assistance from the United States Department of Agriculture or the United States Department of Health and Human Services shall not discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.
F. Upon request, Grantee shall provide HHSC's Civil Rights Office with copies of the Grantee's civil rights policies and procedures.
G. Grantee must notify HHSC's Civil Rights Office of any complaints of discrimination received relating to its performance under this Grant Agreement. This notice must be delivered no more than ten (10) calendar days after receipt of a complaint. Notice provided pursuant to this section must be directed to:

HHSC Civil Rights Office
701 W. 51st Street, Mail CodeW206
Austin, Texas 78751
Phone Toll Free: (888) 388-6332
Phone: (512) 438-4313
Fax: (512) 438-5885
Email: HHSCivilRightsOffice@hhsc.state.tx.us.

11.25 Enterprise Information Management Standards

Grantee shall conform to HHS standards for data management as described by the policies of the HHS Office of Data, Analytics, and Performance. These include, but are not limited to, standards for documentation and communication of data models, metadata, and other data definition methods that are required by HHS for ongoing data governance, strategic portfolio analysis, interoperability planning, and valuation of HHS System data assets.

11.26 Disclosure of Litigation

A. The Grantee must disclose in writing to the contract manager assigned to this Grant Agreement any material civil or criminal litigation or indictment either threatened or

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

pending involving the Grantee. “Threatened litigation” as used herein shall include governmental investigations and civil investigative demands. “Litigation” as used herein shall include administrative enforcement actions brought by governmental agencies. The Grantee must also disclose any material litigation threatened or pending involving Subcontractors, consultants, and/or lobbyists. For purposes of this section, “material” refers, but is not limited, to any action or pending action that a reasonable person knowledgeable in the applicable industry would consider relevant to the Work under the Grant Agreement or any development such a person would want to be aware of in order to stay fully apprised of the total mix of information relevant to the Work, together with any litigation threatened or pending that may result in a substantial change in the Grantee’s financial condition.

B. This is a continuing disclosure requirement; any litigation commencing after Grant Agreement Award must be disclosed in a written statement to the assigned contract manager within seven calendar days of its occurrence.

11.27 No Third Party Beneficiaries

The Grant Agreement is made solely and specifically among and for the benefit of the Parties named herein and their respective successors and assigns, and no other person shall have any right, interest, or claims hereunder or be entitled to any benefits pursuant to or on account of the Grant Agreement as a third-party beneficiary or otherwise.

11.28 Binding Effect

The Grant Agreement shall inure to the benefit of, be binding upon, and be enforceable against each Party and their respective permitted successors, assigns, transferees, and delegates.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ATTACHMENT E

TEXAS
Health and Human Services

Health and Human Services Commission
Special Conditions

Version 1.3

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ATTACHMENT E

TABLE OF CONTENTS

ARTICLE I - SPECIAL DEFINITIONS 3

ARTICLE II - GRANTEES PERSONNEL AND SUBCONTRACTORS 4
2.01 Qualifications 4
2.02 Conduct and Removal 4
2.03 Contracts with Subcontractors 4
2.04 Status of Subcontractors 5
2.05 Incorporation of Terms in Subcontracts 5
2.06 Notice of Legal Matter or Litigation 6
2.07 Unilateral Amendment 6

ARTICLE III - CONFIDENTIALITY 6
3.01 Confidential System Information 6

ARTICLE IV - MISCELLANEOUS PROVISIONS 7
4.01 Minor Administrative Changes 7
4.02 Conflicts of Interest 7
4.03 Flow Down Provisions 8
4.04 Disaster Declarations 8

ARTICLE V - DSHS LEGACY PROVISIONS 9
5.01 Notice of a Contract Action 9
5.02 Notice of IRS or TWC Insolvency 9
5.03 Notice of Criminal Activity and Disciplinary Actions 10
5.04 Child Abuse Reporting Requirement 10
5.05 Abuse, Neglect, Exploitation 10
5.06 Notification of Change of Contact Person or Key Personnel 10
5.07 Notification of Organization Change 11
5.08 Significant Incidents 11
5.09 Responsibilities and Restrictions Concerning Governing Body, Officers, and Employees 11
5.10 Direct Operations 12
5.11 Interim Extension Amendment 12
5.12 Medical Records Retention 12
5.13 Grantee's Certification of Meeting or Exceeding Tobacco-Free Workplace Policy Minimum Standards 13
5.14 Electronic and Information Resources Accessibility and Security Standards 13
5.15 Equipment, Supplies and Property 15
5.16 Clinical Management for Behavioral Health Services (CMBHS) System 22
a. Resources 22
b. Security Administrator and Authorized Users 22
c. Security Violations and Accounts Updates 23
d. Electronic Transfer of Information 23
e. Access 23
f. Customer Support and Training. 24
5.17 HIV/AIDS Model Workplace Guidelines 24
5.18 Medicaid Enrollment 24
5.19 Billing for Treatment and Payment Restrictions 24
5.20 Persons on Probation or Parole. 24
5.21 Substance Abuse Block Grant (SABG) Requirements 25
5.22 Match and Program Income 25
5.23 Contract Reconciliation 26

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ATTACHMENT E

The terms and conditions of these Special Conditions are incorporated into and made a part of the Contract. Capitalized items used in these Special Conditions and not otherwise defined have the meanings assigned to them in HHSC Uniform Terms and Conditions – Grant, Version 2.16.1.

If any provision contained in this HHSC Special Conditions is in conflict with, or inconsistent with the HHSC Uniform Terms and Conditions (UTC), the provision contained in the UTCs shall prevail. If any provision contained in this HHSC Special Conditions is in conflict with, or inconsistent with the Substance Use Disorder Utilization Management Guidelines (UM), the provision contained in the UM shall prevail.

ARTICLE I - SPECIAL DEFINITIONS

"Conflict of Interest" means a set of facts or circumstances, a relationship, or other situation under which Grantee, a Subcontractor, or individual has past, present, or currently planned personal or financial activities or interests that either directly or indirectly: (1) impairs or diminishes the Grantee's, or Subcontractor's ability to render impartial or objective assistance or advice to the HHSC; or (2) provides the Grantee or Subcontractor an unfair competitive advantage in future HHSC procurements.

"Grantee Agents" means Grantee's representatives, employees, officers, as well as any contractor or subgrantee's employees, contractors, officers, principals and agents.

"Data Use Agreement" means the agreement incorporated into the Contract to facilitate creation, receipt, maintenance, use, disclosure or access to Confidential Information.

"Item of Noncompliance" means Grantee's acts or omissions that: (1) violate a provision of the Contract; (2) fail to ensure adequate performance of the Project; (3) represent a failure of Grantee to be responsive to a request of HHSC relating to the Project under the Contract.

"Minor Administrative Change" refers to a change to the Contract that does not increase the fees or term and done in accordance with Section 4.01 of these Special Conditions.

"Other Confidential System Information" means any communication or record (whether oral, written, electronically stored or transmitted, or in any other form) provided to or made available to Grantee; or that Grantee may create, receive, maintain, use, disclose or have access to on behalf of HHSC or through performance of the Project, which is not designated as Confidential Information in a Data Use Agreement.

"State" means the State of Texas and, unless otherwise indicated or appropriate, will be interpreted to mean HHSC and other agencies of the State of Texas that may participate in the administration of HHSC Programs; provided, however, that no provision will be interpreted to include any entity other than HHSC as the contracting agency.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

"Software" means all operating system and applications software used or created by Grantee to perform the work under the Contract.

"Third Party Software" refers to software programs or plug-ins developed by companies or individuals other than Grantee which are used in performance of the Project. It does not include items which are ancillary to the performance of the Project, such as internal systems of Grantee which were deployed by Grantee prior to the Contract and not procured to perform the Project.

"UTC" means the HHSC Uniform Terms and Conditions – Grant, Version 2.16.1.

ARTICLE II - GRANTEES PERSONNEL AND SUBCONTRACTORS

2.01 Qualifications

Grantee agrees to maintain the organizational and administrative capacity and capabilities to carry out all duties and responsibilities under the Contract. Grantee Agents assigned to perform the duties and responsibilities under the Contract must be and remain properly trained and qualified for the functions they are to perform. Notwithstanding the transfer or turnover of personnel, Grantee remains obligated to perform all duties and responsibilities under the Contract without degradation and in strict accordance with the terms of the Contract.

2.02 Conduct and Removal

While performing the Project, Grantee Agents must comply with applicable Contract terms, State and federal rules, regulations, HHSC's policies, and HHSC's requests regarding personal and professional conduct; and otherwise conduct themselves in a businesslike and professional manner.

If HHSC determines in good faith that a particular Grantee Agent is not conducting himself or herself in accordance with the terms of the Contract, HHSC may provide Grantee with notice and documentation regarding its concerns. Upon receipt of such notice, Grantee must promptly investigate the matter and, at HHSC's election, take appropriate action that may include removing the Grantee Agent from performing the Project.

Any person employed by Grantee shall, at the written request of HHSC, and within HHSC's sole discretion, be removed immediately by Grantee from work relating to the Contract.

2.03 Contracts with Subcontractors

a. Grantee may enter into contracts with subcontractors unless restricted or otherwise prohibited in the Contract.
b. Grantees are prohibited from subcontracting with for-profit organizations under this Contract.
c. Prior to entering into a subcontract agreement equaling or exceeding $100,000, Grantee will

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

obtain written approval from the System Agency.

d. Grantee will obtain written approval from System Agency before modifying any subcontract agreement to cause the agreement to exceed $100,000.
e. Grantee will establish written policies and procedures for competitive procurement and monitoring of subcontracts and will develop a subcontracting monitoring plan.
f. Grantee shall monitor subcontractors for both financial and programmatic performance and will maintain pertinent records.
g. Grantee shall submit quarterly monitoring reports to the System Agency in a format determined by the System Agency.
h. Grantee shall ensure that subcontracts are fully aware of the requirements placed upon them by state/federal statutes, rules, and regulations and by the provisions of this Contract.
i. Grantee shall ensure all subcontracts, must be in writing and include the following:
    1. Name and address of all parties and the subcontractor's Vendor Identification Number (VIN) or Employee Identification Number (EIN);
    2. Detailed description of the services to be provided;
    3. Measurable method and rate of payment and total not-to-exceed amount of the contract;
    4. Clearly defined and executable termination clause; and
    5. Beginning and ending dates that coincide with the dates of the Contract.
j. Grantee shall ensure and be responsible for the performance of the subcontractor(s).
k. Grantee shall not contract with a subcontractor, at any tier, that is debarred, suspended, or excluded from or ineligible for participation in federal assistance programs or if the subcontractor would be otherwise ineligible to abide by the terms of this Contract.

2.04 Status of Subcontractors

Grantees will require that all subcontractors certify that they are/have:

a. In good standing with all state and federal funding and regulatory agencies;
b. Not currently debarred, suspended or otherwise excluded from participation in federal grant programs;
c. Not delinquent on any repayment agreements;
d. Not had a required license or certification revoked;
e. Not ineligible under the terms of the Contract; and
f. Not had a System Agency contract terminated for cause.

2.05 Incorporation of Terms in Subcontracts

a. Grantee will include in all its contracts with subrecipient subcontractors and solicitations for subrecipient subcontracts, without modification (except as required to make applicable to the subcontract):
    1. Statement of Work
    2. Uniform Terms and Conditions
    3. Special Conditions
    4. Federal Assurances and Certifications
    5. Non-Exclusive List of Applicable Laws
    6. A provision granting to the System Agency, State Auditor's Office (SAO), Office of Inspector General (OIG), and the Comptroller General of the United States, and any of

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

their representatives, the right of access to inspect the work and the premises on which any work is performed, and the right to audit the subcontractor.

b. Grantee will ensure that all written agreements with subcontractors incorporate the terms of this Contract so that all terms, conditions, provisions, requirements, duties and liabilities under this Contract applicable to the services provided or activities conducted by a subcontractor are passed down to that subcontractor.

c. No provision of this Contract creates privity of contract between the System Agency and any subcontractor of Grantee.

2.06 Notice of Legal Matter or Litigation

Grantee will send notice to the Substance Use Disorder (SUD) email box, SubstanceAbuse.Contracts@hhsc.state.tx.us of any litigation or legal matter related to or affecting this Contract within seven calendar days of becoming aware of the litigation or legal matter.

2.07 Unilateral Amendment

The System Agency reserves the right to amend this Contract through execution of a unilateral amendment signed by the contract manager for this Contract and provided to the Grantee with ten days notice prior to execution of the amendment under the following circumstances to:

a. To comply with a court order or judgment
b. Incorporate new or revised federal or state laws, regulations, rules or policies
c. Correct an obvious clerical error in this Contract;
d. Change the name of the Contractor in order to reflect the Contractor's name as recorded by the Texas Secretary of State.
e. To correct the name, mailing address, or contact information for persons named in the Contract;
f. To update service descriptions or rates (if applicable);

ARTICLE III - CONFIDENTIALITY

3.01 Confidential System Information

HHSC prohibits the unauthorized disclosure of Other Confidential Information. Grantee and all Grantee Agents will not disclose or use any Other Confidential Information in any manner except as is necessary for the Project or the proper discharge of obligations and

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

securing of rights under the Contract. Grantee will have a system in effect to protect Other Confidential Information. Any disclosure or transfer of Other Confidential Information by Grantee, including information requested to do so by HHSC, will be in accordance with the Contract. If Grantee receives a request for Other Confidential Information, Grantee will immediately notify HHSC of the request, and will make reasonable efforts to protect the Other Confidential Information from disclosure until further instructed by the HHSC.

Grantee will notify HHSC promptly of any unauthorized possession, use, knowledge, or attempt thereof, of any Other Confidential Information by any person or entity that may become known to Grantee. Grantee will furnish to HHSC all known details of the unauthorized possession, use, or knowledge, or attempt thereof, and use reasonable efforts to assist HHSC in investigating or preventing the reoccurrence of any unauthorized possession, use, or knowledge, or attempt thereof, of Other Confidential Information.

HHSC will have the right to recover from Grantee all damages and liabilities caused by or arising from Grantee or Grantee Agents' failure to protect HHSC's Other Confidential Information as required by this section.

IN COORDINATION WITH THE INDEMNITY PROVISIONS CONTAINED IN THE UTC, GRANTEE WILL INDEMNIFY AND HOLD HARMLESS HHSC FROM ALL DAMAGES, COSTS, LIABILITIES, AND EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES AND COSTS) CAUSED BY OR ARISING FROM GRANTEE OR GRANTEE AGENTS FAILURE TO PROTECT OTHER CONFIDENTIAL INFORMATION. GRANTEE WILL FULFILL THIS PROVISION WITH COUNSEL APPROVED BY HHSC.

ARTICLE IV - MISCELLANEOUS PROVISIONS

4.01 Minor Administrative Changes

System Agency is authorized to provide written approval of mutually agreed upon Minor Administrative Changes to the Project or the Contract that do not increase the fees or term. Upon approval of a Minor Administrative Change, HHSC and Grantee will maintain written notice that the change has been accepted in their Contract files.

4.02 Conflicts of Interest

Grantee warrants to the best of its knowledge and belief, except to the extent already disclosed to HHSC, there are no facts or circumstances that could give rise to a Conflict of Interest and further that Grantee or Grantee Agents have no interest and will not acquire any direct or indirect interest that would conflict in any manner or degree with their performance under the Contract. Grantee will, and require Grantee Agents, to establish safeguards to prohibit Contract Agents from using their positions for a purpose that constitutes or presents the appearance of personal or Organizational Conflict of Interest, or

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

for personal gain. Grantee and Grantee Agents will operate with complete independence and objectivity without actual, potential or apparent Conflict of Interest with respect to the activities conducted under the Contract.

Grantee agrees that, if after Grantee's execution of the Contract, Grantee discovers or is made aware of a Conflict of Interest, Grantee will immediately and fully disclose such interest in writing to HHSC. In addition, Grantee will promptly and fully disclose any relationship that might be perceived or represented as a conflict after its discovery by Grantee or by HHSC as a potential conflict. HHSC reserves the right to make a final determination regarding the existence of Conflicts of Interest, and Grantee agrees to abide by HHSC's decision.

If HHSC determines that Grantee was aware of a Conflict of Interest and did not disclose the conflict to HHSC, such nondisclosure will be considered a material breach of the Contract. Furthermore, such breach may be submitted to the Office of the Attorney General, Texas

4.03 Flow Down Provisions

Grantee must include any applicable provisions of the Contract in all subcontracts based on the scope and magnitude of work to be performed by such Subcontractor. Any necessary terms will be modified appropriately to preserve the State's rights under the Contract.

4.04 Disaster Declarations

In the event of a local, state, or federal emergency, including natural, pandemics, man- made, criminal, terrorist, and/or bioterrorism events, declared as a state disaster by the Governor, or a federal disaster declared by the appropriate federal official, Grantee may be called upon to assist the System Agency in providing the following services:

a. Expand, increase, or modify service delivery in impacted areas;
b. Community evacuation;
c. Health and medical assistance;
d. Assessment of health and medical needs;
e. Health surveillance;
f. Medical care personnel;
g. Health and medical equipment and supplies;
h. Patient evacuation;
i. In-hospital care and hospital facility status;
j. Food, drug and medical device safety;
k. Worker health and safety;
l. Mental health and substance abuse;
m. Public health information;
n. Vector control and veterinary services; and
o. Victim identification and mortuary services.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

ATTACHMENT E

Disaster related services may not commence, or expenditures incurred, until System Agency provides Grantee with a written Notification to Proceed. The contract may be amended to incorporate additional funds and performance or reporting requirements to support disaster services in the event services must be expanded, increased, or modified.

ARTICLE V - LEGACY PROVISIONS

5.01 Notice of a Contract Action

Grantee will send notice to the Substance Use Disorder (SUD) email box, SubstanceAbuse.Contracts@hhsc.state.tx.us if Grantee has had any contract suspended or terminated for cause by any local, state or federal department or agency or nonprofit entity within five business days of becoming aware of the action and include the following:

a. Reason for such action;
b. Name and contact information of the local, state or federal department or agency or entity;
c. Date of the contract;
d. Date of suspension or termination; and
e. Contract or case reference number.

5.02 Notice of IRS or TWC Insolvency

Grantee will send notice to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us, of its insolvency, incapacity or outstanding unpaid obligations of Grantee to the Internal Revenue Service (IRS), Texas Workforce Commission (TWC), the State of Texas, or any agency or political subdivision of the State of Texas within five days of the date of Grantee's becoming aware of such.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

5.03 Notice of Criminal Activity and Disciplinary Actions

a. Grantee shall immediately send notice to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us when the Grantee learns of or has any reason to believe it or any person with ownership or controlling interest in the organization/business, or their agent, employee, subcontractor or volunteer that is providing services under this Contract has:
   1. Engaged in any activity that could constitute a criminal offense equal to or greater than a Class A misdemeanor or grounds for disciplinary action by a state or federal regulatory authority; or
   2. Been placed on community supervision, received deferred adjudication, or been indicted for or convicted of a criminal offense relating to involvement in any financial matter, federal or state program or felony sex crime.

b. Grantee shall not permit any person who engaged, or was alleged to have engaged, in any activity subject to reporting under this section to perform direct client services or have direct contact with clients, unless otherwise directed in writing by the System Agency.

5.04 Child Abuse Reporting Requirement

Grantee shall:

a. comply with child abuse and neglect reporting requirements in Texas Family Code Chapter 261. This section is in addition to and does not supersede any other legal obligation of the Grantee to report child abuse.
b. develop, implement and enforce a written policy that includes at a minimum the System Agency's Child Abuse Screening, Documenting, and Reporting Policy for Grantees/Providers and train all staff on reporting requirements.
   c. use the System Agency Child Abuse Reporting Form located at https://www.dfps.state.tx.us/Contact_Us/report_abuse.asp as required by the System Agency.
d. retain reporting documentation on site and make it available for inspection by the System Agency.

5.05 Abuse, Neglect, Exploitation

Grantee shall;

a. take all steps necessary, to protect the health, safety and welfare of its clients and participants.
b. develop and implement written policies and procedures for abuse, neglect and exploitation.
c. notify appropriate authorities of any allegations of abuse, neglect, or exploitation as required by 25 TAC § 448.703.

5.06 Grantee's Notification of Change of Contact Person or Key Personnel

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

Within 10 business days, Grantee will submit notice to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us of any change in the Grantee's Contact Persons or Key Personnel.

5.07 Notice of Organizational Change

Grantee will submit notice to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us and within 10 business days of any change to Grantee's name, contact information, organizational structure, such as merger, acquisition, or change in form of business, legal standing, or authority to do business in Texas.

5.08 Significant Incidents

In addition to notifying the appropriate authorities, Grantee will submit notice to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us significant incidents involving substantial disruption of Grantee's program operation or affecting or potentially affecting the health, safety or welfare of the System Agency funded clients or participants within three calendar days of discovery.

5.09 Responsibilities and Restrictions Concerning Governing Body, Officers and Employees

Grantee and its governing body shall:

a. Bear full responsibility for the integrity of the fiscal and programmatic management of the organization.
b. Be accountable for all funds and materials received from the System Agency. The responsibility of Grantee's governing body will also include accountability for compliance with the System Agency Rules, policies, procedures, and applicable federal and state laws and regulations; and correction of fiscal and program deficiencies identified through self-evaluation and the System Agency's monitoring processes.
c. Ensure separation of powers, duties, and functions of governing body members and staff. No member of Grantee's governing body, or officer or employee of Grantee will vote for, confirm or act to influence the employment, compensation or change in status of any person related within the second degree of affinity or the third degree of consanguinity (as defined in Texas Government Code Chapter 573) to the member of the governing body or the officer or any employee authorized to employ or supervise such person. This prohibition does not prohibit the continued employment of a person who has been continuously employed for a period of two years prior to the election, appointment or employment of the officer, employee, or governing body member related to such person in the prohibited degree. These restrictions also apply to the governing body, officers, and employees of Grantee's subcontractors.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

5.10 Direct Operation

System Agency may temporarily assume operations of a Grantee's program or programs funded under this Contract when the continued operation of the program by Grantee puts at risk, the health or safety of clients and/or participants served by Grantee.

5.11 Interim Extension Amendment

a. Prior to or on the expiration date of this Contract, the Parties agree that this Contract can be extended as provided under this Section.

b. The System Agency will provide written notice of interim extension amendment to the Grantee under one of the following circumstances:

1. Continue provision of services in response to a disaster declared by the governor; or
2. To ensure that services to clients continue without interruption.

c. The System Agency will provide written notice of the interim extension amendment that specifies the reason and length of time for the extension.

d. Grantee will provide and invoice for services in the same manner as stated in the Contract.

e. An interim extension under Section (b)(1) above will extend the term of the contract not longer than 30 days after governor's disaster declaration is declared unless the Parties agree to a shorter period of time.

f. An interim extension under Section (b)(2) above will be a one-time extension for time determined by the System Agency.

5.12 Medical Records Retention

Grantee will:

a. Retain medical records in accordance with 22 TAC §165.1(b) or other applicable statutes, rules and regulations governing medical information.

b. Retain and preserve records in accordance with applicable state and federal statutes, rules and regulations.

c. Maintain all non-financial records that are generated or collected by Grantee under the provisions of this Contract for a period of at least seven years after the termination of this Contract.

d. Retain the records in accordance with the federal retention period, if the federal retention period for services funded through Medicaid is more than seven years

e. Retain all records pertaining to this Contract that are the subject of litigation or an audit until the litigation has ended or all questions pertaining to the audit are resolved.

f. Include this provision concerning records retention in any subcontract it awards.

g. Ensure that records relating to this Contract are securely stored and are accessible by the System Agency upon System Agency's request for at least seven years from the date Grantee ceases business or from the date this Contract terminates, whichever is sooner.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

h. Provide and update as necessary, the name and address of the party responsible for storage of records to the SUD emailbox, SubstanceAbuse.Contracts@hhsc.state.tx.us.

5.13 Grantee's Certification of Meeting or Exceeding Tobacco-Free Workplace Policy Minimum Standards

Grantee certifies that it has adopted and enforces a Tobacco-Free Workplace Policy that meets or exceeds all of the following minimum standards of:

a. Prohibiting the use of all forms of tobacco products, including but not limited to cigarettes, cigars, pipes, water pipes (hookah), bidis, kreteks, electronic cigarettes, smokeless tobacco, snuff and chewing tobacco;

b. Designating the property to which this Policy applies as a "designated area," which must at least comprise all buildings and structures where activities funded under this Contract are taking place, as well as Grantee owned, leased, or controlled sidewalks, parking lots, walkways, and attached parking structures immediately adjacent to this designated area;

c. Applying to all employees and visitors in this designated area; and

d. Providing for or referring its employees to tobacco use cessation services.

If Grantee cannot meet these minimum standards, it must obtain a waiver from the System Agency.

5.14 Electronic and Information Resources Accessibility and Security Standards

a. **Applicability:**

The following Electronic and Information Resources (EIR) requirements apply to the Contract because the Grantee performs services that include EIR that the System Agency's employees are required or permitted to access or members of the public are required or permitted to access.

This Section does not apply to incidental uses of EIR in the performance of the Agreement, unless the Parties agree that the EIR will become property of the State of Texas or will be used by HHSC's clients or recipients after completion of the Agreement.

Nothing in this section is intended to prescribe the use of particular designs or technologies or to prevent the use of alternative technologies, provided they result in substantially equivalent or greater access to and use of a Product.

b. **Definitions:**

"Accessibility Standards" means accessibility standards and specifications for Texas agency and institution of higher education websites and EIR set forth in 1 TAC Chapter 206 and/or Chapter 213.

"**Electronic and Information Resources**" means information resources, including information resources technologies, and any equipment or interconnected system of

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

equipment that is used in the creation, conversion, duplication, or delivery of data or information. The term includes telephones and other telecommunications products, information kiosks, transaction machines, Internet websites, multimedia resources, and office equipment, including copy machines and fax machines.

"Electronic and Information Resources Accessibility Standards" means the accessibility standards for electronic and information resources contained in 1 Texas Administrative Code Chapter 213.

"Product" means information resources technology that is, or is related to EIR.

"Web Site Accessibility Standards/Specifications" means standards contained in Volume 1 Tex. Admin. Code Chapter 206(c) Accessibility Requirements. Under Tex. Gov't Code Chapter 2054, Subchapter M, and implementing rules of the Texas Department of Information Resources, the System Agency must procure Products and services that comply with the Accessibility Standards when those Products are available in the commercial marketplace or when those Products are developed in response to a procurement solicitation. Accordingly, Grantee must provide electronic and information resources and associated Product documentation and technical support that comply with the Accessibility Standards.

c. **Evaluation, Testing, and Monitoring**

1. The System Agency may review, test, evaluate and monitor Grantee's Products and services, as well as associated documentation and technical support for compliance with the Accessibility Standards. Review, testing, evaluation and monitoring may be conducted before and after the award of a contract. Testing and monitoring may include user acceptance testing. Neither the review, testing (including acceptance testing), evaluation or monitoring of any Product or service, nor the absence of review, testing, evaluation or monitoring, will result in a waiver of the State's right to contest the Grantee's assertion of compliance with the Accessibility Standards.
2. Grantee agrees to cooperate fully and provide the System Agency and its representatives timely access to Products, records, and other items and information needed to conduct such review, evaluation, testing, and monitoring.

d. **Representations and Warranties**

1. Grantee represents and warrants 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 Agreement, 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 System Agency's client or recipient after the Contract expiration or termination, the Products will continue to comply with Accessibility Standards after the expiration or termination of the Contract Term, unless the System Agency or its clients or recipients, as applicable, use the Products in a manner that renders it noncompliant.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

2. In the event Grantee becomes aware, or is notified that the Product or service and associated documentation and technical support do not comply with the Accessibility Standards, Grantee represents and warrants that it will, in a timely manner and at no cost to the System Agency, perform all necessary steps to satisfy the Accessibility Standards, including remediation, replacement, and upgrading of the Product or service, or providing a suitable substitute.
   i. Grantee acknowledges and agrees that these representations and warranties are essential inducements on which the System Agency relies in awarding this Contract.
   ii. Grantee's representations and warranties 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.

e. **Remedies**

1. Under Tex. Gov't Code § 2054.465, neither the Grantee nor any other person has cause of action against the System Agency for a claim of a failure to comply with Tex. Gov't Code Chapter 2054, Subchapter M, and rules of the Department of Information Resources.
2. In the event of a breach of Grantee's representations and warranties, Grantee will be liable for direct, consequential, indirect, special, or liquidated damages and any other remedies to which the System Agency may be entitled under this Contract and other applicable law. This remedy is cumulative of any other remedies to which the System Agency may be entitled under this Contract and other applicable law.

5.15 Equipment, Supplies and Property

a. **Equipment.**

Equipment is defined as tangible personal property having a useful lifetime of more than one year and a per-unit acquisition cost that exceeds $5,000 or more.

Grantee will:

1. inventory all equipment and report the inventory on the Grantees Property Inventory Form.
2. initiate the purchase of all equipment, approved in writing by the System Agency, in the first quarter of the Contract or Contract term, as applicable. Failure to initiate purchase of equipment may result in the loss of availability of funds for the purchase of equipment. Requests to purchase previously approved equipment after the first quarter in the Contract must be submitted to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us.

b. **Equipment List.**

1. All items of equipment to be purchased with funds under this Contract must be itemized in Grantee's equipment list as finally approved by the System Agency in the executed Contract.

The equipment list must include:

i. Description of the property;
ii. Serial number or other identification number;

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

iii. Source of funding for the property (including the Federal Assistance Identification Number);
iv. Who holds title,
v. Acquisition date and cost of the property;
vi. Percentage of Federal participation in the project costs for the Federal award under which the property was acquired;
vii. Location use and condition of the property; and
viii. Any ultimate disposition data including the date of disposal and sale price of property.

2. Any changes to the approved equipment list in this Contract must be approved in writing by the System Agency prior to the purchase of equipment.

3. Grantee will submit to the assigned contract manager, a written description including complete product specifications and need justification prior to purchasing any item of unapproved equipment. If approved, the System Agency will acknowledge its approval by means of a written amendment.

c. **Supplies.**

1. Supplies are defined as consumable items necessary to carry out the services under this Contract including medical supplies, drugs, janitorial supplies, office supplies, patient educational supplies, software, and any items of tangible personal property other than those defined as equipment above.
2. Tangible personal property includes controlled assets, including firearms, regardless of the acquisition cost, and the following assets with an acquisition cost of $500 or more, but less than $5,000, which includes desktop and laptop computers (including notebooks, tablets and similar devices), non-portable printers and copiers, emergency management equipment, communication devices and systems, medical and laboratory equipment, and media equipment are also considered Supplies.
3. Prior approval by the System Agency of the purchase of Controlled Assets is not required, but such purchases must be reported on the Grantees Property Inventory Form.

d. **Property Inventory and Protection of Assets.**

Grantee shall:

1. maintain an inventory of equipment, supplies defined as controlled assets, and property described in this Contract and submit to the assigned contract manager, upon request.

2. maintain, repair, and protect assets under this Contract to assure their full availability and usefulness.

3. if Grantee is indemnified, reimbursed, or otherwise compensated for any loss of, destruction of, or damage to the assets provided or obtained under this Contract, use the proceeds to repair or replace those assets.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

e. **Assets as Collateral Prohibited.**
Grantees will not encumber equipment purchased with System Agency funds without prior written approval from the System Agency.

f. **Bankruptcy.**

1. In the event of bankruptcy, Grantee will;
   i. sever the System Agency property, equipment, and supplies in possession of Grantee from the bankruptcy, and title must revert to the System Agency.
   ii. when directed by the System Agency, return all such property, equipment and supplies to the System Agency.
   iii. ensure that its subcontracts, if any, contain a specific provision requiring that in the event of the subcontractor's bankruptcy, the subcontractor must sever the System Agency property, equipment, and supplies in possession of the subcontractor from the bankruptcy, and title must revert to the System Agency, who may require that the property, equipment and supplies be returned to the System Agency.

g. **Title to Property**

At the expiration or termination of this Contact for any reason, title to any remaining equipment and supplies purchased with funds under this Contract reverts to System Agency. Title may be transferred to any other party designated by System Agency. The System Agency may, at its option and to the extent allowed by law, transfer the reversionary interest to such property to Grantee.

h. **Disposition of Property**

1. Grantee will follow the procedures in the American Hospital Association's (AHA) "Estimated Useful Lives of Depreciable Hospital Assets" in disposing, at any time during or after the Contract term, of equipment purchased with the System Agency funds, except when federal or state statutory requirements supersede or when the equipment requires licensure or registration by the state, or when the acquisition price of the equipment is equal to or greater than $5,000.

2. All other equipment not listed in the AHA reference (other than equipment that requires licensure or registration or that has an acquisition cost equal to or greater than $5,000) will be controlled by the requirements of UGMS.

3. If, prior to the end of the useful life, any item of equipment is no longer needed to perform services under this Contract, or becomes inoperable, or if the equipment requires licensure or registration or had an acquisition price equal to or greater than $5,000, Grantee will request disposition approval and instructions in writing from the contract manager assigned to this Contract.

4. After an item reaches the end of its useful life, Grantee will ensure that disposition of any equipment is in accordance with Generally Accepted Accounting Principles, and any applicable federal guidance.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

i. **Closeout of Equipment**

1. At the end of the term of a Contract that has no additional renewals or that will not be renewed (Closeout), or when a Contract is otherwise terminated, Grantee will submit to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us an inventory of equipment purchased with System Agency funds and request disposition instructions for such equipment.

2. All equipment purchased with System Agency funds must be secured by Grantee at the time of Closeout, or termination of this Contract, and must be disposed of according to the System Agency's disposition instructions, which may include return of the equipment to System Agency or transfer of possession to another System Agency Grantee, at Grantee's expense.

j. **Insurance.**

In addition to the Insurance provision of the Uniform Terms and Conditions, Grantee shall:

1. Maintain insurance or other means of repairing or replacing assets purchased with System Agency funds.
2. Repair or replace with comparable equipment any such equipment not covered by insurance that is lost, stolen, damaged or destroyed. If any insured equipment purchased with System Agency funds is lost, stolen, damaged or destroyed.
3. Notify the contract manager assigned to this Contract within 5 business days of learning of the loss, to obtain instructions whether to submit and pursue an insurance claim.
4. Use any insurance proceeds to repair the equipment or replace the equipment with comparable equipment or remit the insurance proceeds to System Agency.

k. **Travel**

The System Agency's travel policy will apply to all travel reimbursement if Grantee does not have a formal Travel Policy. If Grantee has a formal Travel Policy, Grantee shall:

1. Submit Grantee's formal travel policy to be approved by the assigned contract manager.
2. Ensure travel policy specifies reimbursement limits for meals, lodging, and the mileage rate.
3. Ensure all travel costs are reasonable and necessary.
4. Ensure all out-of-state travel is approved by the assigned contract manager prior to travel.
5. Submit all out-of-state travel requests to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us, at least, thirty (30) days prior to travel.

l. **Management and Control Systems**

Grantee will:

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

1. Maintain an appropriate contract administration system to ensure that all terms, conditions, and specifications are met during the term of the contract through the completion of the closeout procedures.
2. Develop, implement, and maintain financial management and control systems that meet or exceed the requirements of Uniform Statewide Accounting System (UGMS). Those requirements and procedures include, at a minimum, the following:
   i. Financial planning, including the development of budgets that adequately reflect all functions and resources necessary to carry out authorized activities and the adequate determination of costs;
   ii. Financial management systems that include accurate accounting records that are accessible and identify the source and application of funds provided under each Contract of this Contract, and original source documentation substantiating that costs are specifically and solely allocable to a Contract and its Contract and are traceable from the transaction to the general ledger;
   iii. Effective internal and budgetary controls;
   iv. Comparison of actual costs to budget; determination of reasonableness, allowableness, and allocability of costs;
   v. Timely and appropriate audits and resolution of any findings;
   vi. Billing and collection policies; and
   vii. Mechanism capable of billing and making reasonable efforts to collect from clients and third parties.

m. **Property Acquisitions**

System Agency funds must not be used to purchase buildings or real property. Any costs related to the initial acquisition of the buildings or real property are not allowable.

n. **Condition Precedent to Requesting Payment**

Grantee will disburse program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting cash payments including any advance payments from the System Agency.

o. **Overtime Compensation.**

1. Except as provided in this section, Grantee will be responsible for any obligations of premium overtime pay due employees. Premium overtime pay is defined as any compensation paid to an individual in addition to the employee's normal rate of pay for hours worked in excess of normal working hours.
2. Funds provided under this Contract may be used to pay the premium portion of overtime only under the following conditions:
   i. With the prior written approval of System Agency;
   ii. Temporarily, in the case of an emergency or an occasional operational bottleneck;
   iii. When employees are performing indirect functions, such as administration, maintenance, or accounting;
   iv. In performance of tests, laboratory procedures, or similar operations that are

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

continuous in nature and cannot reasonably be interrupted or otherwise completed; or

v. When lower overall cost to System Agency will result.

p. **Fidelity Bond**

For the benefit of System Agency, Grantee is required to carry a fidelity bond or insurance coverage equal to the amount of funding provided under this Contract up to $100,000 that covers each employee of Grantee handling funds under this Contract, including person(s) authorizing payment of such funds.

1. The fidelity bond or insurance must provide for indemnification of losses occasioned by any fraudulent or dishonest act or acts committed by any of Grantee's employees, either individually or in concert with others, and/or failure of Grantee or any of its employees to perform faithfully his/her duties or to account properly for all monies and property received by virtue of his/her position or employment. The bond or insurance acquired under this section must include coverage for third party property.
2. Grantee will notify, and obtain prior approval from, the System Agency Contract Oversight and Support Section before settling a claim on the fidelity bond or insurance.

q. **Liability Coverage.**

For the benefit of System Agency, Grantee will at all times maintain liability insurance coverage, referred to in Tex. Gov. Code § 2261.102, as "director and officer liability coverage" or similar coverage for all persons in management or governing positions within Grantee's organization or with management or governing authority over Grantee's organization (collectively "responsible persons").

Grantee will:

1. maintain copies of liability policies on site for inspection by System Agency and will submit copies of policies to System Agency upon request.
2. maintain liability insurance coverage in an amount not less than the total value of this Contract and that is sufficient to protect the interests of System Agency in the event an actionable act or omission by a responsible person damages System Agency's interests.
3. notify, and obtain prior approval from, the System Agency Contract Oversight and Support Section before settling a claim on the insurance.

r. **Quality Management.**

Grantee shall:

1. Comply with quality management requirements as directed by the System Agency.
2. Develop and implement a Quality Management Plan (QMP) that conforms with 25 TAC § 448.504 and make the QMP available to System Agency upon request. The QMP must be developed no later than the end of the first quarter of the Contract term.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

3. Update and revise the QMP each biennium or sooner, if necessary. Grantee's governing body will review and approve the initial QMP, within the first quarter of the Contract term, and each updated and revised QMP thereafter. The QMP must describe Grantee's methods to measure, assess, and improve -
   i. Implementation of evidence-based practices, programs and research-based approaches to service delivery;
   ii. Client/participant satisfaction with the services provided by Grantee;
   iii. Service capacity and access to services;
   iv. Client/participant continuum of care; and
   v. Accuracy of data reported to the state.
4. Participate in continuous quality improvement (CQI) activities as defined and scheduled by the state including, but not limited to data verification, performing self-reviews; submitting self-review results and supporting documentation for the state's desk reviews; and participating in the state's onsite or desk reviews.
5. Submit plan of improvement or corrective action plan and supporting documentation as requested by System Agency.
6. Participate in and actively pursue CQI activities that support performance and outcomes improvement.
7. Respond to consultation recommendations by System Agency, which may include, but are not limited to the following:
   i. Staff training;
   ii. Self-monitoring activities guided by System Agency, including use of quality management tools to self-identify compliance issues; and
   iii. Monitoring of performance reports in the System Agency electronic clinical management system.

s. **Abuse, Neglect, Exploitation.**

Grantee shall:

1. Take all steps necessary, to protect the health, safety and welfare of its clients and participants.
2. Develop and implement written policies and procedures for abuse, neglect and exploitation.
3. Notify appropriate authorities of any allegations of abuse, neglect, or exploitation as required by 25 TAC § 448.703.

t. **Persons on Probation or Parole.**

Grantee will:

1. Develop and implement written policies and procedures that address the delivery of services by employees, subcontractors, or volunteers on probation or parole.
2. Notify the contract manager assigned to the Contract immediately of any of its employees, volunteers or subcontractors who are on parole or probation if the employee, volunteer, or subcontractor provides or will provide direct client or participant services or who has or may have direct contact with clients or participants.
3. Maintain copies of all notices required under this section for System Agency

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

review.

u. **Personnel Requirements and Documentation.**

Grantee shall:

1. Maintain current personnel documentation on each employee. All documents must be factual and accurate. Health-related information must be stored separately with restricted access as appropriate under Tex. Gov. Code §552.102. Training records may be stored separately from the main personnel file but must be easily accessible upon request. Required documentation includes the following, as applicable:
   i. A copy of the current job description signed by the employee;
   ii. Application or resume with documentation of required qualifications and verification of required credentials;
   iii. Verification of work experience;
   iv. Annual performance evaluations;
   v. Personnel data that includes date hired, rate of pay, and documentation of all pay increases and bonuses;
   vi. Documentation of appropriate screening and/or background checks, to include probation or parole documentation;
   vii. Signed documentation of initial and other required training; and
   viii. Records of any disciplinary actions.
2. Document authentication must include signature, credentials when applicable, and date. If the document relates to past activity, the date of the activity must also be recorded. Documentation must be permanent and legible. When it is necessary to correct a required document, the error must be marked through with a single line, dated, and initialed by the writer.

5.16 Clinical Management for Behavioral Health Services (CMBHS) System

The CMBHS is the official record of documentation by System Agency.

Grantee shall:

1. Request access to CMBHS via the CMBHS Helpline at (866) 806-7806.
2. Use the CMBHS time frames specified by System Agency.
3. Use System Agency-specified functionality of the CMBHS in its entirety.
4. Submit all bills and reports to System Agency through the CMBHS, unless otherwise instructed.

a. **Resources**

Grantee shall ensure that Grantee's employees have appropriate Internet access and an adequate number of computers of sufficient capabilities to use the CMBHS. Equipment purchased with System Agency funds must be inventoried, maintained in working order, and secured.

b. **Security Administrator and Authorized Users**

Grantee shall:

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

1. Designate a Security Administrator and a back-up Security Administrator. The Security Administrator is required to implement and maintain a system for management of user accounts/user roles to ensure that all the CMBHS user accounts are current.
2. Have a security policy that ensures adequate system security and protection of confidential information.
3. Notify the CMBHS Help-desk within ten (10) business days of any change to the designated Security Administrator or the back-up Security Administrator.

Grantee will:

i. Ensure that access to CMBHS is restricted to only currently authorized users.
ii. Within 24 hours, remove access to users who are no longer authorized to have access to secure data in CMBHS.
iii. Maintain the CMBHS Authorized Users List which includes former and current Grantee's employees, contracted labor, subcontractors or any other users authorized to have access to secure data in CMBHS. The CMBHS Authorized Users List shall document whose authority has been added and terminated; and the date the authority was added and terminated.

4. Submit the CMBHS Security Attestation Form and the CMBHS Authorized Users List as stated in Attachment A, to the following e-mail address: SubstanceAbuse.Contracts@hhsc.state.tx.us.
5. Continually maintain the current CMBHS Authorized Users List on file and make available to System Agency upon request within five business days.
6. Immediately block access to CMBHS of any person who should no longer have access to CMBHS, due to severance of employment with Grantee or otherwise,
   i. immediately modify access when there is a change in a user's job responsibilities that affects the user's need for access to CMBHS,
   ii. update records on a daily basis to reflect any changes in account status.

c. **Security Violations and Accounts Updates.**

Grantee will adhere to the Confidentiality Article requirements and HHS Data Usage Agreement of this contract and immediately contact System Agency if a security violation is detected, or if Grantee has any reason to suspect that the security or integrity of the CMBHS data has been or may be compromised in any way.

d. **Electronic Transfer of Information.**

Grantee will establish and maintain adequate internal controls, security, and oversight for the approval and electronic transfer of information regarding payments and reporting requirements. Grantee certifies that the electronic payment requests and reports transmitted will contain true, accurate, and complete information.

e. **Access.**

System Agency reserves the right to limit or deny access, to the CMBHS by Grantee, at any time for any reason deemed appropriate by System Agency. Grantee access to CMBHS will be placed in inactive status when the Grantee ceases to have an executed contract with System Agency Mental Health and Substance Abuse Division.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

f. **Customer Support and Training.**
System Agency will provide support for the CMBHS, including problem tracking and problem resolution. System Agency will provide telephone numbers for Grantees to obtain access to expert assistance for CMBHS-related problem resolution. System Agency will provide initial CMBHS training. Grantee shall provide subsequent ongoing end-user training.

5.17 HIV/AIDS Model Workplace Guidelines

Grantee shall:

a. Implement the System Agency's policies based on the Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS), AIDS Model Workplace Guidelines for Businesses at http://www.dshs.state.tx.us/hivstd/policy/policies.shtm, State Agencies and State Grantees Policy No. 090.021.

b. Educate employees and clients concerning HIV and its related conditions, including AIDS, in accordance with the Texas. Health & Safety Code §§ 85.112-114.

5.18 Medicaid Enrollment

Treatment Grantees shall enroll as a provider with Texas Medicaid and Healthcare Partnership (TMHP) and all Medicaid Managed Care organizations in Grantee's service region within the first quarter of this procurement term and maintain through the procurement term.

5.19 Billing for Treatment and Payment Restrictions

Grantees shall:

a. Bill for only one intensity of service and service type (either outpatient or residential) per client per day

b. Not bill for an intensity of service and service type if another System Agency-funded Treatment Grantee is providing and billing System Agency for another intensity of service and service type.

c. The following are the exceptions to Item (b):
A client may receive the following services at the same time the client receives SUD outpatient or residential treatment services:
a. Co-occurring psychiatric / substance use disorder services,
b. Ambulatory detoxification, or
c. Opioid substitution therapy services.

d. If two Grantees provide services to the same client under this exception, the Grantees must coordinate services and both Grantees must document the service coordination in CMBHS.

5.20 Persons on Probation or Parole.

Grantee shall;

a. Develop and implement written policies and procedures that address the delivery of

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

services by employees, subcontractors, or volunteers on probation or parole.

b. Submit to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us, notice of any of its employees, volunteers or subcontractors who are on parole or probation if the employee, volunteer, or subcontractor provides or will provide direct client or participant services or who has or may have direct contact with clients or participants.

c. Maintain copies of all notices required under this section for System Agency review.

d. Ensure that any person who is on probation or parole is prohibited from performing direct client/participant services or from having direct contact with clients or participants until authorized by System Agency.

5.21 Substance Abuse Block Grant (SABG) Requirements

Grantee will comply with the requirements of the SABG, including the restrictions on expenditure of grant funds, stated in 45 CFR § 96.135 and the Notice of Grant Award:

The State shall not expend the Block Grant on the following activities:

a. To provide inpatient hospital services, except as provided in paragraph (c) of this section;

b. To make cash payments to intended recipients of health services;

c. To purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

d. To satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds;

e. To provide financial assistance to any entity other than a public or nonprofit private entity; or

f. To provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs, unless the Surgeon General of the Public Health Service determines that a demonstration needle exchange program would be effective in reducing drug abuse and the risk that the public will become infected with the etiologic agent for AIDS.

5.22 Match and Program Income

Grantee shall:

a. Contribute match that is, at minimum, the percentage, stated on Attachment B, of Total System Agency Share unless otherwise stated on Attachment B.

b. Report match on each Financial Status Report (FSR) or Quarterly Match Report, including description, source, and dollar amount in the FSR comment section for the non-System Agency funding and in-kind contributions for the program or as directed by System Agency.

c. Adhere to the Program Income requirements in Uniform Grants Management Standards (UGMS).

d. Not use program income as match without prior approval of the contract manager assigned to the Contract.

e. If the match ratio requirement is not met by the beginning of the last three months of

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

the term of the Contract, System Agency may withhold or reduce payments to satisfy match insufficiency or demand a refund of the amount of the match insufficiency.

5.23 Contract Reconciliation

Grantee, within 45 calendar days after the end of each fiscal term year, will submit to the System Agency email box, SubstanceAbuse.Contracts@hhsc.state.tx.us, financial and reconciliation reports required by System Agency in forms as determined by System Agency.

5.24 Breach of Contract and Liquidated Damages

a. Contract Monitoring.

System Agency:

1. will monitor Grantee for programmatic and financial compliance with this Contract and;
2. may impose liquidated damages for any breach of this Contract.
3. at its discretion, may place Grantee on accelerated monitoring, which entails more frequent or more extensive monitoring than ordinarily conducted by System Agency.
4. may allow the Grantee the opportunity to correct identified deficiencies prior to imposing actions stated in this section.

***b.* Liquidated Damages.**

Grantee agrees that noncompliance with the requirements specified in the Contract causes damages to System Agency that are difficult to ascertain and quantify. Grantee further agrees that System Agency may impose liquidated damages each month for so long as the noncompliance continues. Failure to comply with any of the Contract requirements, System Agency may impose liquidated damages of:

1. $500 for the first occurrence of noncompliance during a fiscal year;
2. $750 for the second occurrence of noncompliance with the same requirement during the same fiscal year; and
3. $1,000 for the third and subsequent occurrence(s) of noncompliance with the same requirement during the same fiscal year.

***c.* Grantee Repayment.**

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

***d.* Notice of Liquidated Damages.**

System Agency will formally notify Grantee in writing when liquidated damages action is imposed, stating the nature of the action, the reasons for imposing, and the method of appealing. Grantee must submit a written appeal, within 10 calendar days of receipt of the notice, to the SUD email box, SubstanceAbuse.Contracts@hhsc.state.tx.us.

DocuSign Envelope ID: C23BE58E-4808-4121-BE49-117540319A26

A submitted appeal must;

1. include documented proof that Grantee submitted the information by the due date or received an exemption from the assigned contract manager.
2. demonstrate the findings on which the Liquidated Damage is based are either invalid or do not warrant the action(s).

If System Agency determines the liquidated damage is warranted, System Agency's decision is final and the remedy or sanction shall be imposed.