



**DEPARTMENT OF PROCUREMENT SERVICES
NON-COMPETITIVE REVIEW BOARD (NCRB) APPLICATION**

Complete this cover form and the **Non-Competitive Procurement Application Worksheet** in detail. Refer to the page entitled "Instructions for Non-Competitive Procurement Application" for completing this application in accordance with its policy regarding NCRB. Complete "other" subject area if additional information is needed. Subject areas must be fully completed and responses merely referencing attachments will not be accepted and will be immediately rejected.

Department DFSS	Originator Name David Wells	Telephone 3-0155	Date 1/21/14	Signature of Application Author
Contract Liaison Julia Talbot	Email Contract Liaison jtalbot@cityofchicago.org	Telephone 3-1679		

List Name of NCRB Attendees/Department	
David Wells Vanessa Rich Craig Zemke Julia Talbot	Nikia Thompson

Request NCRB review be conducted for the product(s) and/or service(s) described herein.

Company: **Nulinx International**

Contact Person: Hamid Kelishadi	Phone: 818-304-0110	Email: hk@mycopa.com
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Project Description: **COPA Vendor Limit Increase and Contract Amendment**

<p>This is a request for:</p> <p><input type="checkbox"/> New Contract</p> <p>Contract Type</p> <p><input type="checkbox"/> Blanket Agreement Term: ____ (# of mo)</p> <p><input type="checkbox"/> Standard Agreement</p>	<p><input checked="" type="checkbox"/> Amendment / Modification</p> <p>Type of Modification</p> <p><input checked="" type="checkbox"/> Time Extension <input checked="" type="checkbox"/> Vendor Limit Increase <input type="checkbox"/> Scope Change</p> <p>Contract Number: 19846</p> <p>Specification Number: 73053</p> <p>Modification Number: 1</p>
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<p>Department Request Approval</p> <p></p> <p>DEPARTMENT HEAD OR DESIGNEE</p> <p>2/25/14 DATE</p> <p>PRINT NAME</p>	<p>Recommended Approval</p> <p>Rich Butler</p> <p>BOARD CHAIRPERSON</p> <p></p> <p>PRINT NAME</p> <p>6-13-14 DATE</p>
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(FOR NCRB USE ONLY)

Recommend Approval/Date: 5-6-14

Return to Department/Date: _____

Rejected/Date: _____

Approved Rejected

CHIEF PROCUREMENT OFFICER

JUN 13 2014
DATE



**DEPARTMENT OF PROCUREMENT SERVICES
NON-COMPETITIVE REVIEW BOARD (NCRB) APPLICATION
JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT WORKSHEET**

All applicable information on this worksheet must be addressed using each question found on the "Instructions for Non-Competitive Procurement Application" in this application.

Justification for Non-Competitive Procurement Worksheet

PROCUREMENT HISTORY

1. The Department of Family and Support Services (DFSS) first entered into a contract with Nulinx International in 2004 under PO 6780 (Attachment 1) in order to correct the final area of non-compliance for the City of Chicago's Head Start program. The initial Nulinx International contract was procured as an emergency contract when it was realized that reconfiguring the tracking database in use at the time (the Head Start Eligibility Verification database) was taking longer than anticipated. Nulinx was identified with the assistance of the Department of Business Information Systems (now known as the Department of Innovation and Technology (DOIT) as the only source which would meet all of our tracking needs for family and child data in addition to eligibility and enrollment; functions that directly inform DFSS's ability to reimburse its delegate agency services providers accurately and in a timely manner. These functions were and are still managed by Nulinx's Child Outcome Planning and Assessment (COPA) program.

Subsequently, it was also determined that Nulinx was the most cost efficient vendor to produce customized reports mandated by Head Start's grantor, the United States Department of Health and Human Services (HHS). Later, DFSS was able to also add to its COPA system allowing us to better manage our Illinois Department of Human Services (IDHS) Child Care grant's attendance tracking and billing functions. Over time, even more functions and features have been incorporated into the COPA platform, leading to the creation of a truly one of a kind data management tool that has become an integral part of DFSS's management of its Head Start and Child Care grants.

DFSS's current highly customized version of COPA is vital and unique because of the size of our Head Start grant and the complexity created by managing two separate child care programs in one database. The City of Chicago's Head Start program is one of the largest single operating Head Start grants in the country and our IDHS Childcare program serves an additional 1,400 children. As such, we track over 20,000 children and associated case files using the COPA system on a daily basis. There are only two other Head Start grants of similar size currently operating in the country, New York City and Los Angeles. Neither New York nor Los Angeles's COPA-like tracking systems currently are capable of providing the depth of reporting and data management that Chicago currently has with COPA. Neither of those systems currently have the capacity to manage federal and state child care dollars on one platform.

Given the longevity of DFSS's relationship with COPA and our collaborative work, it has been noted by staff that Chicago's system as provided by COPA is far more sophisticated and able to run more reports, providing more usable data to administrative and front line staff. This becomes even more relevant in light of the City's upcoming Head Start triennial review where the information managed by the COPA system will determine our compliance and success in several key areas - both those relating to program operations (such as attendance, health and disability checks) as well as more administrative functions such as staff professional development (please refer to the Attachment 5 for a full list). As a result of findings from their most recent triennial reviews, both Los Angeles and New York's Head Start grants were put up for re-competition rather than a receiving a direct renewal to those city's municipal governments. DFSS is seeking to avoid a similar outcome.

2. This request is the continuation of previous procurement from the same source. We are requesting an amendment of a current contract. DFSS is requesting a Vendor Limit Increase that additional time and money be added to the existing Nulinx International contract which will expire on March 9, 2014.

In 2009, DFSS requested a sole source contract for Nulinx International which was awarded for a term of three years with the option to amend (PO 19846, Attachment 2). Please refer to Attachment 3 to see DFSS's first sole source request for greater information.

While not amending this contract is certainly possible, we understand that the only other known possible vendor would not be able to reference or demonstrate prior competency in the development and management of a system as complex as what DFSS currently has with COPA. Additionally, recreating DFSS's COPA system anew would ultimately require DFSS to operate without any system performing COPA's current functions for up to six months. This



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would seriously jeopardize our ability to maintain compliance with the Head Start and Child Care grants as well as create significant lags in voucher reimbursement for both grants, thus impeding DFSS's ability to spend down the grants according to schedule.

3. For reasons outlined in question 1, there has been no attempt to ever competitively bid this contract.

4. As discussed above, the COPA system as currently operating with DFSS is quite unique. While all Head Start delegates are required to fulfill the same reporting requirements tracked by COPA, few to none have experience operating a system on the scale required by the size of our Head Start grant. None have the experience of incorporating an additional program and funding stream into their Head Start tracking programs.

There are only two other Head Start grants of similar size currently operating in the country, New York City and Los Angeles. Neither New York nor Los Angeles's COPA-like tracking systems currently are capable of providing the depth of reporting and data management that Chicago currently has with COPA. Neither of those systems currently have the capacity to manage federal and state child care dollars on one platform. Los Angeles and New York both contract with a Child Plus (another provider of services). However, neither city currently operates a system that tracks two funding streams or provides the depth of reporting that the COPA system does for DFSS. We have been unable to find other potential providers of COPA-like services who have experience building and operating similar systems on a large scale our Head Start grant would require.

5. After both amendment options have been executed, we will work with DPS and DOIT to identify the most appropriate process of procurement to ensure our program's continuity and needs.

6. This request for an amendment is being made in-line with the option to renew (please refer to the information in Questions 1 and 2 in this section). The Department will look to exercise the additional option as well.

ESTIMATED COST

1. DFSS is requesting a Vendor Limit Increase for a one year amendment of \$579,600. This is the amount requested in the itemized price quote prepared by Nulinx in consultation with DFSS program and IT staff for the next year of service (see Attachment 5). This will be paid out of DFSS's Head Start and IDHS's Child Care grant money as the computer system operated by Nulinx (COPA) has the primary purpose of managing Head Start information. During this time, Nulinx will continue to provide data tracking and reporting functions for Head Start and Child Care funded clientele including the tracking of enrollment, eligibility, attendance, assessment and assessment outcomes, health, disability goals, visits, Child and Family Service provision, federal, state and local reporting, Head Start Program Information Reporting and more. COPA also will continue to provide Human Resource professional development, calendar, e-mail reminders and other resource management features. Please refer to Attachment 4 for a full description of the proposed scope.

2. The estimated cost for the fiscal year is also \$579,600.

3. Nulinx prepared the submitted budget for this request based on the scope that was determined by key DFSS staff in order to be in compliance with applicable Federal and State grant requirements.

4. It would be cost prohibitive to replicate the COPA system. While initially purchased as an off-the-shelf system over time, the City has invested significant amounts of time and money in the customization of COPA. These customizations allow DFSS to maintain compliance with both its Head Start and Child Care grants and effectively manage the extensive caseloads, reporting requirements and tracking of clients required. Not proceeding with this amendment could result in non-compliance with both grants jeopardizing the likelihood of continued funding by these sources. This in turn, would negatively impact the programs, neighborhoods and delegate agencies currently supported by these programs.

5. No negotiation of costs occurred. Cost estimates were based on requested scope and are in line with prior costs for similar work for COPA as operated by Nulinx International.

SCHEDULE REQUIREMENTS

1. COPA's schedule was developed by DFSS Head Start staff and reflects our need to comply with HHS and IDHS enrollment and eligibility requirements.



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2. This request does not require drawings or specifications.
3. Our current contract with Nulinx will expire March 9, 2014. We would like to be able to extend this contract to avoid any disruptions in service.
4. We are requesting this extension at this time in order to allow time for the development of an RFP with DPS should competitive bidding determined to be necessary. Operating Head Start and Child Care programs without access to COPA would be severely detrimental to DFSS, impacting our ability to efficiently and effectively operate our Head Start and Child Care grants and will impede our ability to process vouchers for service to those delegate agency providers. As mentioned in prior sections, bringing COPA offline this spring when the current contract expires would also jeopardize the City's Head Start grant overall as we are in the process of preparing for Chicago's HHS triennial review of the Head Start program. The Head Start grant represents \$119,000,000 and the IDHS Child Care grant represents \$26,000,000 in revenue for the City overall.

EXCLUSIVE OR UNIQUE CAPABILITY

1. N/A
2. Nulinx International is the developer, sole owner and operator of the COPA system. As such, their personnel is predominant and unique to the degree that they are operators of a unique system.
3. Nulinx International is the developer, sole owner and operator of the COPA system. There are no other providers of COPA. While there are other providers who address the same scope of services (as determined by Head Start regulations), none provide them via the COPA system itself. Additionally, Nulinx International is the only organization in the country providing combined Head Start and Child Care tracking and reporting in combination with site monitoring, work flow process, linking to billing and reimbursement functions under one platform. This alone makes it a unique system that matches the City of Chicago's needs.
4. N/A
5. As the only provider of the COPA system Nulinx (and COPA) are considered unique and predominant for the purposes of this application because they provide a uniquely customized database to DFSS that is capable of managing a large volume of information for over 20,000 individual case files and providing significant administrative reporting on the entered data. We have been unable to find another system currently in use that is able to both manage the high volume of data while providing the same level depth of reporting. As the developers and managers of this unique software, it would follow that Nulinx personnel possess predominance in the field. DFSS's experience with Nulinx and Nulinx personnel has only been positive.
6. N/A
7. Competition is precluded due to software license agreements. Please refer to Attachment 6 which outlines the restrictions of use by others of the COPA system.
8. N/A

OTHER

MBE/WBE Compliance Plan

Nulinx has submitted a request for MBE/WBE Compliance waiver to DFSS. This is included in this submission. Please refer to Attachment 6 for further discussion.

Please refer to the following attached documents as reference

1. Original Nulinx contract
2. Second Nulinx contract
3. 2009 Sole Source Application
4. Nulinx proposed scope of services



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5. 2014 proposed budget for COPA software
6. Letters explaining COPA's proprietary software agreement, MBE/WBE Compliance Waiver request and statement of liability, and ITGB Project Review Form.
7. Insurance Certificate
8. Proof of EDS
9. List of DFSS personnel participating in the NCRB meeting
10. Applicable Grant Agreements



DEPARTMENT OF PROCUREMENT SERVICES NON-COMPETITIVE REVIEW BOARD (NCRB) APPLICATION INSTRUCTIONS FOR NON-COMPETITIVE PROCUREMENT APPLICATION

INSTRUCTIONS FOR PREPARATION OF NON-COMPETITIVE PROCUREMENT APPLICATION

If a City Department has determined that the purchase of supplies, equipment, work and/or services cannot be done on a competitive basis, a justification must be prepared on this "Justification for Non-Competitive Procurement Application" in which procurement is requested on a or non-competitive basis in accordance with 65 ILCS 5/8-10-4 of the Illinois Compiled Statutes. Using this instruction sheet, all applicable information must be addressed on the worksheet. The information provided must be complete and in sufficient detail to allow for a decision to be made by the Non-Competitive Procurement Review Board. For Amendments, Modifications, describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change.

Attach a DPS Checklist and any other required documentation; the Board will not consider justification with incomplete information documentation or omissions.

PROCUREMENT HISTORY

1. Describe the requirement and how it evolved from initial planning to its present status.
2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.
3. Explain attempts made to competitively bid the requirement (attach copy of sources contacted).
4. Describe in detail all research done to find other sources; list other cities, companies in the industry, professional organizations contacted. List periodicals and other publications used as references.
5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?
6. Explain whether or not future competitive bidding is possible. If not, explain in detail.

ESTIMATED COST

1. What is the estimated cost for this requirement or for each contract, if multiple awards are contemplated? What is the funding source?
2. What is the estimated cost by fiscal year?
3. Explain the basis for estimating the cost and what assumptions were made and/or data used (i.e., budgeted amount, previous contract price, current catalog or cost proposal from firms solicited, engineering or in-house estimate, etc.)
4. Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling or other factors which would be duplicated at City expense if another source was considered. Describe cost savings or other measurable benefits to the City which may be achieved.
5. Explain what negotiation of price has occurred or will occur. Detail why the estimated cost is deemed reasonable.

SCHEDULE REQUIREMENTS

1. Explain how the schedule was developed and at what point the specific dates were known.
2. Is lack of drawings and/or specifications a constraining factor to competitive bidding? If so, why is the proposed Contractor the only person or firm able to perform under these circumstances? Why are the drawings and specifications lacking? What is the lead time required to get drawings and specifications suitable for competition? If lack of drawings and specifications is not a constraining factor to competitive bidding, explain why only one person or firm can meet the required schedule.
3. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.
4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs and budgeted funds.

EXCLUSIVE OR UNIQUE CAPABILITY

1. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, and/or other factors make this person or firm exclusively or uniquely qualified for the project. Attach a copy of the cost proposal, scope of services, and Temporary Consulting Services Form.
2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?
3. What prior experiences of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project or program?
4. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?
5. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?
6. If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features and/or functions the items have which no other brands or models, possess. Is compatibility with existing equipment critical from an operational standpoint? If so, provide detailed explanation?
7. Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data (attach documentation verifying such)?
8. If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources? If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center? If so, attach letter from manufacturer on company letterhead.

MBE/WBE COMPLIANCE PLAN

- * All submissions must contain detailed information about how the proposed firm will comply with the requirements of the City's Minority and Women Owned Business program. All submissions must include a completed C-1 and D-1 form, which is available on the Procurement Services page on the City's intranet site. The City Department must submit a Compliance Plan, including details about direct and indirect compliance.

OTHER

1. Explain other related considerations and attach all applicable supporting documents, i.e., an approved "ITGB Form" or "Request For Individual Hire Form".

REVIEW AND APPROVAL

This application must be signed by both Originator of the request and signed by the Department Head. After review and final disposition from the Board, this application will be signed by the Board Chairman. After review and final disposition from the Board, this form will be presented to the Chief Procurement Officer recommending approval.

Section I: General Contract Information	
Department Name	Department of Family and Support Services
Department Contact Name	Julia Talbot
Department Contact Number	312-743-1679
Department Contact Email	Julia.talbot@cityofchicago.org
Contract Number	19846
Contract Subject Name	Nulinx International
Contract Initiation Date	March 10, 2011
Original Contract Amount	\$1,607,144.50
Original Contract Expiration Date	March 9, 2014
Budgeted amount for current year	\$579,600
Years to date expenditure	\$1,458,169.67
Are funds <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> TIF <input checked="" type="checkbox"/> Grant	
What is the funding strip?	013-0890-50-2005-0140-P05020102052
If contract modification or task request is approved, will department have enough funds to cover new expenditure?	Yes.
If no, what is the plan to address the short fall?	Not applicable
Section II: Contract Modifications	
Complete this section if you are modifying the value of an existing contract.	
Contract Value Increase	\$579,600
New total contract amount	\$ 2,186,744.50
New contract expiration date	March 9, 2015
Goods/services provided by this contract	COPA database subscription for Head Start and Illinois Department of Human Services Child Care grants.
Justification of need to modify this	We are currently requesting a one-year amendment for this contract

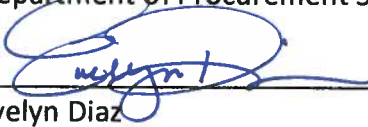
contract	from the NCRB to continue to receive the services provided to us by Nulinx. Nulinx is the sole proprietor and provider of the COPA database which we use to manage our Head Start and Illinois Department of Human Services Child Care programs. Specifically this program is used to manage our timely reimbursement of vouchers submitted by the delegate agency program providers.
Impact of denial	If we are unable to renew this contract, it will be difficult if not impossible for us to reimburse in a timely manner or track attendance and other critical operations for these two grant funded programs. This inability could negatively affect our ability to remain in good standing with these two grant-funded programs. Currently these programs comprise \$145,000,00 of DFSS's budget.
Section III. Issue a Request for Services to a Master Consulting Agreement	
Complete this section if you want to issue a request for services to a Master Consulting Agreement	
Value of planned task order request	\$
Expiration date of planned task order request	
Scope of services	
Justification of need to issue request for services	
Impact of denial	
Section IV: Assessment of Office of Budget and Management Analyst	
Approve/Deny	Reason
OBM Analyst Initials	
OBM Analyst Name/number	



DEPARTMENT OF FAMILY AND SUPPORT SERVICES
CITY OF CHICAGO

To: Jamie Rhee
Chief Procurement Officer
Department of Procurement Services

Attn: Rich Butler
1st Deputy Procurement Officer
Department of Procurement Services

From: 
Evelyn Diaz
Commissioner
Department of Family and Support Services

Subject: Non-Competitive Procurement Review Board for Nulinx International Submission - Revised
Date: February 21, 2014

The Chicago Department of Family and Support Services (DFSS) is requesting permission for a time extension of one additional year as well as a vendor limit increase in the amount of \$579,000 for Nulinx International. These modifications are needed in order to support the work of the contract through throughout the complete term (including extension options) of the contract.

To date Nulinx via its Child Outcome Planning and Assessment (COPA) system provides DFSS with the ability manage, track and report out on the following functions related to its Head Start, Early Head Start, and Child Care Assistance Programs: tracking of enrollment, eligibility, attendance, assessment and assessment outcomes, health, disability goals, visits, Child and Family Service provision, federal, state and local reporting, Head Start Program Information Reporting and more. COPA also provides Human Resource professional development, calendar, e-mail reminders and other resource management features. Information stored in and managed via COPA allows DFSS and its delegate agencies the ability to track individual children's attendance which informs us in the review of vouchers for reimbursement for our Early Head Start, Head Start and Illinois Department Human Services (IDHS) Child Care funded agencies. All of which allows DFSS to maintain in good standing/compliance with our federal and state funders (in this case the United States Department of Health and Human Services (HHS) and Illinois Department of Human Services), as well as facilitating the expenditure of the grant funds both correctly and efficiently and reimbursing our delegate agency provides in a more timely manner.

We are requesting a continuation of the Nulinx International contract per Section 4.3 of the Agreement Extension Option which allows the Chief Procurement Officer to extend the contract an additional 12 months.

Additionally, continuing our relationship with Nulinx International and our use of the COPA System will allow us to further enhance COPA's functionality. These new add-ins will allow us to use COPA more effectively, providing for even more accuracy in assisting both front line and administrative staff to make sure that Head Start and Child Care eligible families are guided to the services necessary to ensure that their children enter school ready to learn.

The Department is currently in the process of preparing for its triennial review with HHS. The triennial review is a comprehensive review of the City's Head Start contract. COPA will be integral to validating Head Start and Early Head Start program accomplishments and processes and in demonstrating our compliance and excellence in delivering Head Start and Early Head Start services. Operating without the COPA system during this review could possibly jeopardize DFSS's ability to maintain its Early Head Start and Head Start grants without going through a federal re-competition process due to findings in part created through the absence of or lack of access to the current COPA system. Specifically, lack of access to the COPA system during this time would negatively affect the department's ability to demonstrate programmatic success or compliance in a number of different evaluative categories including the provision of health services, the tracking of attendance, and the provision of services to Head Start families as a whole. It would also negatively affect our ability to quickly and accurately determine the correct reimbursement rates for our Early Head Start, Head Start and IDHS Child Care funded agencies.

DFSS's Early Head Start, Head Start and Child Care grants provide \$145 million dollar of vitally needed support and programming for some of Chicago's neediest families and communities. It is of great importance that the COPA system, which provides so much behind the scenes assistance in the successful execution of these programs continue to function without a gap in services that could adversely affect the children, families, communities and delegate agencies it currently supports. Please feel free to contact David Wells at 312-743-0155 if you have any further questions.

Data Protection Requirements for Contractors, Vendors and Third-Parties

FINAL (4/2/13)

"Breach" means the acquisition, access, use, or disclosure of Protected Information that compromises the security or privacy of the Protected Information.

"Contractor" means an entity that receives or encounters Protected Information. Contractor includes, without limitation, entities that store Protected Information, or host applications that process Protected Information. The provisions of this Data Policy includes not only the entity that is a signatory to this Policy but all subcontractors, of whatever tier, of that entity; the signatory must inform and obtain the agreement of such subcontractors to the terms of this Data Policy.

"Protected Information" means all data provided by City to Contractor or encountered by Contractor in the performance of the services to the City, including, without limitation, all data sent to Contractor by City and/or stored by Contractor on its servers. Protected Information includes, but is not limited to, employment records, medical and health records, personal financial records (or other personally identifiable information), research data, and classified government information. To the extent there is any uncertainty as to whether any data constitutes Protected Information, the data in question shall be treated as Protected Information.

1. Information Security. Contractor agrees to the following:

- 1.1. General. Notwithstanding any other obligation of Contractor under this policy, Contractor agrees that it will not lose, alter, or delete, either intentionally or unintentionally, any Protected Information, and that it is responsible for the safe-keeping of all such information, except to the extent that the City directs the Contractor in writing to do so.
- 1.2. Access to Data. In addition to the records to be stored / maintained by Contractor, all records that are possessed by Contractor in its service to the City of Chicago to perform a governmental function are public records of the City of Chicago pursuant to the Illinois Freedom of Information Act (FOIA), unless the records are exempt under the Act. FOIA requires that the City produce records in a very short period of time. If the Contractor receives a request from the City to produce records, the Contractor shall do so within 72 hours of the notice.
- 1.3. Minimum Standard for Data at Rest and Data in Motion. Contractor must, at a minimum, comply, in its treatment of Protected Information, with National Institute of Standards and Technology (NIST) Special Publication 800-53 Moderate Level Control. Notwithstanding this requirement, Contractor acknowledges that it must fully comply with each additional obligation contained in this policy. If data is protected health information or electronic protected health information, as defined in the Health Insurance Portability and Accountability Act and Health Information Technology for Economic and Clinical Health Act (HIPAA/HITECH) and regulations implementing these Acts (see 45 CFR Parts 160 and 164), it must be secured in accordance with "Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals," available on the United States Department of Health and Human Services (HHS) website (<http://www.hhs.gov/ocr/privacy/hipaa/administrative/breachnotificationrule/index.html>), or at Volume 74 of the Federal Register, beginning at page 42742. That guidance from the HHS states that valid encryption processes for protected health information data at rest (e.g., protected health information resting on a server), must be consistent with the NIST Special Publication 800-111, Guide for Storage Encryption Technologies for End User Devices. Valid encryption processes for protected health information data in motion (e.g., transmitted through a network) are those which comply with NIST Special Publications 800-52, Guidelines for the Selection and Use of Transport Layer Security Implementation; 800-77, Guide to IPsec VPNs; or 800-113, Guide to SSL VPNs, or others which are Federal Information Processing Standards (FIPS) 140-2 validated.

- 1.4. Where Data is to be Stored. All data must be stored only on computer systems located in the continental United States.
- 1.5. Requirement to Maintain Security Program. Contractor acknowledges that the City has implemented an information security program to protect the City's information assets, which Program is available on the City website at http://www.cityofchicago.org/city/en/depts/doi/supp_info/initiatives_-_informationsecurity.html ("City Program"). Contractor shall be responsible for establishing and maintaining an information security program that is designed to: (i) ensure the security and confidentiality of Protected Information; (ii) protect against any anticipated threats or hazards to the security or integrity of Protected Information; (iii) protect against unauthorized access to or use of Protected Information; (iv) ensure the proper disposal of Protected Information; and, (v) ensure that all subcontractors of Contractor, if any, comply with all of the foregoing.
- 1.6. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described herein, in no case shall the safeguards of Contractor's information security program be less stringent than the information security safeguards used by the City Program.
- 1.7. Right of Audit by the City of Chicago. The City of Chicago shall have the right to review Contractor's information security program prior to the commencement of Services and from time to time during the term of this Agreement. During the performance of the Services, from time to time and without notice, the City of Chicago, at its own expense, shall be entitled to perform, or to have performed, an on-site audit of Contractor's information security program. In lieu of an on-site audit, upon request by the City of Chicago, Contractor agrees to complete, within forty-five (45 days) of receipt, an audit questionnaire provided by the City of Chicago or the City of Chicago's designee regarding Contractor's information security program.
- 1.8. Audit by Contractor. No less than annually, Contractor shall conduct an independent third-party audit of its information security program and provide such audit findings to the City of Chicago, all at the Contractor's sole expense.
- 1.9. Audit Findings. Contractor shall implement at its sole expense any remedial actions as identified by the City as a result of the audit.
- 1.10. Demonstrate Compliance - PCI. No less than annually, as defined by the City of Chicago and where applicable, the Contractor agrees to demonstrate compliance with PCI DSS (Payment Card Industry Data Security Standard). Upon City's request, Contractor must be prepared to demonstrate compliance of any system or component used to process, store, or transmit cardholder data that is operated by the Contractor as part of its service. Similarly, upon City's request, Contractor must demonstrate the compliance of any third party it has sub-contracted as part of the service offering. As evidence of compliance, the Contractor shall provide upon request a current attestation of compliance signed by a PCI QSA (Qualified Security Assessor).
- 1.11. Demonstrate Compliance – HIPAA / HITECH. If the Protected Information includes protected health information or electronic protected health information covered under HIPAA/HITECH, Contractor must execute, and be governed by, the provisions in its contract with the City regarding HIPAA/HITECH, the regulations implementing those Acts, and the Business Associate Agreement in its contract with the City. As specified in 1.3, protected health information must be secured in accordance with the "Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals."
- 1.12. Data Confidentiality. Contractor shall implement appropriate measures designed to ensure the confidentiality and security of Protected Information, protect against any anticipated hazards or threats to the integrity or security of such information, protect against unauthorized access or disclosure of information, and prevent any other action that could result in substantial harm to the City of Chicago or an individual identified with the data or information in Contractor's custody.
- 1.13. Compliance with All Laws and Regulations. Contractor agrees that it will comply with all laws and regulations.

- 1.14. Limitation of Access. Contractor will not knowingly permit any Contractor personnel to have access to any City of Chicago facility or any records or data of the City of Chicago if the person has been convicted of a crime in connection with (i) a dishonest act, breach of trust, or money laundering, or (ii) a felony. Contractor must, to the extent permitted by law, conduct a check of public records in all of the employee's states of residence and employment for at least the last five years in order to verify the above. Contractor shall assure that all contracts with subcontractors impose these obligations on the subcontractors and shall monitor the subcontractors' compliance with such obligations.
- 1.15. Data Re-Use. Contractor agrees that any and all data exchanged shall be used expressly and solely for the purposes enumerated in the Agreement. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. As required by Federal law, Contractor further agrees that no City of Chicago data of any kind shall be revealed, transmitted, exchanged or otherwise passed to other Contractors or interested parties except on a case-by-case basis as specifically agreed to in writing by an officer of the City of Chicago with designated data, security, or signature authority.
- 1.16. Safekeeping and Security. Contractor will be responsible for safekeeping all keys, access codes, passwords, combinations, access cards, personal identification numbers and similar security codes and identifiers issued to Contractor's employees, agents or subcontractors. Contractor agrees to require its employees to promptly report a lost or stolen access device or information to their primary business contact and to the City of Chicago Information Security Office.
- 1.17. Mandatory Disclosure of Protected Information. If Contractor is compelled by law or regulation to disclose any Protected Information, the Contractor will provide to the City of Chicago with prompt written notice so that the City of Chicago may seek an appropriate protective order or other remedy. If a remedy acceptable to the City of Chicago is not obtained by the date that the Contractor must comply with the request, the Contractor will furnish only that portion of the Protected Information that it is legally required to furnish, and the Contractor shall require any recipient of the Protected Information to exercise commercially reasonable efforts to keep the Protected Information confidential.
- 1.18. Data Breach. Contractor agrees to comply with all laws and regulations relating to data breach, including without limitation, the Illinois Personal Information Protection Act and other applicable Illinois breach disclosure laws and regulations. Data breaches of protected health information and electronic protected health information shall be governed by the provisions regarding HIPAA/HITECH, and the regulations implementing those Acts, in the Contractor's contract with the City, specifically the Business Associate Agreement in such contract. Contractor will immediately notify the City if security of any Protected Information has been breached, and will provide information as to that breach in such detail as requested by the City. Contractor will, if requested by the City, notify any affected individuals of such breach at the sole cost of the Contractor.
- 1.19. Data Sanitization and Safe Disposal. All physical and electronic records must be retained per federal, state and local laws and regulations, including the Local Records Act. Where disposal is approved, the Contractor agrees that prior to disposal or reuse of all magnetic media (e.g. hard disk, floppy disk, removable media, etc.) which may have contained City of Chicago data shall be submitted to a data sanitization process which meets or exceeds DoD 5220.28-M 3-pass specifications. Certification of the completion of data sanitization shall be provided to the City of Chicago within 10 days of completion. Acceptance of Certification of Data Sanitization by the Information Security Office of the City of Chicago is required prior to media reuse or disposal. All other materials which contain City of Chicago data shall be physically destroyed and shredded in accordance to NIST Special Publication 800-88, Guidelines for Media Sanitization, specifications.
- 1.20. End of Agreement Data Handling. The Contractor agrees that upon termination of this Agreement it shall return all data to the City of Chicago in a useable electronic form, and erase, destroy, and render unreadable all data in its entirety in accordance to the prior stated Data Sanitization and Safe Disposal provisions. Data must be rendered in a manner that prevents its physical reconstruction through the use of commonly available file restoration utilities. Certification in writing that these actions have been completed must be provided within 30 days of the termination of this Agreement or within 7 days of a request of an agent of the City of Chicago, whichever shall come first.

Authors: Vanessa Burrows, Arlan McMillan, Steve Tantillo

Summary Scope of Services

Nulinx International is an active solution provider to Head Start programs, Community Action Agencies, Child Care providers and City and State Agencies. Nulinx International Inc.'s flagship software, COPA, provides enhanced child, family, staff and resource data management, reporting, monitoring and collaboration tools, that is provided as a fully hosted solution.

The Contractor will provide the following under this agreement:

COPA provides data tracking and reporting for Head Start and Child care funded families. Various modules and features include Enrollment, Eligibility, Attendance, Assessment, Outcome, Health, Disability, Goals, Visits, Child and Family services, Federal and local reporting, PIR and much more. COPA also provides, HR, Professional Development, calendaring, email reminders and resource management features.

COPA is a hosted web-based solution which is offered on a full IT basis. As a hosted solution, all necessary servers, server-side bandwidth, storage, firewall, system administration and maintenance is provided. A dedicated database is setup for DFSS, encompassing all delegate agencies, sites and classrooms.

COPA also provides various additional modules such as;

- COPA Monitoring. Ability to document and report on site visits, self-assessment and audits.
- COPA e-docs- Digital library that stores various documents and files that are identified and mapped to a child, family, staff, volunteer, class, site or agency.
- CABS. COPA Automated Billing System, enabling providers of child care to submit their monthly enrollment reports to DFSS, go through approval process and generate agency wide invoices.
- Swipe and Scanning feature. A Windows based interface that provides the ability to collect attendance data by scanning a child or staff ID card. ID cards are also generated by COPA.
- Recruitment. Ability to collect a wide pool of pre-application information that allows agencies to filter and qualify eligible candidates for enrollment, without effecting current enrollment and demographics.
- COPAnet. Intranet/Extranet system providing communication and collaboration tools such as Mail, Calendar, Mailing Lists, Task Management, Directory, File Sharing, Contact Manager, Knowledge base, Automated Help System and more.
- Customizable Assessment Platform. Allowing DFSS to create multiple customized assessment tools for child, family and staff.

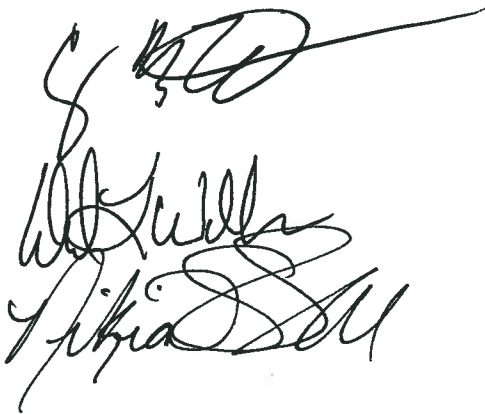
The modular nature of COPA provides a highly customizable solution that can create additional modules and functions to match Organizations' need. Scope of each customization or specific enhancements, must be reviewed and agreed upon by COPA. Customization charges and time of delivery depend on the scope of work and need to be confirmed and finalized per individual specification. Customizations charges may apply and Nulinx retains full rights and ownership of all developments and customization.

The parties agree that prior to entering into this contract; Vendor has developed the COPA solution, a web-based program for processing child information management. Vendor has the exclusive and sole rights to any discovery or invention arising out of or developed in the course of this Agreement and its full confidentiality. Under this Agreement, Vendor may customize or alter its proprietary program to fit the needs of the City. All rights, licenses and royalties belong solely the Vendor. No other party has a royal free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use any or all copyrighted or patented material, without the written consent of the Vendor.

Nulinx will not be liable, nor responsible for the accuracy, legality, and/or appropriateness of the material provided to and provided by DFSS and its employees or staff. Nulinx will further have access to all user information, children and family information and data within the system on an as needed basis.

The parties acknowledge that while COPA solution may be capable of automating a number of different, assessment instruments. Nulinx will not be responsible for copyright issues or to seek any necessary permits or licenses in connection with use by DFSS of any such instrument, tool, or any other educational or other material or information which DFSS or the City may elect to use of COPA solution.

Please visit the COPA web site at www.mycopa.com or contact COPA at (818) 304-0110 for more information.

Three handwritten signatures in black ink are stacked vertically. The top signature is the most legible, appearing to be 'C. [unclear]'. The middle signature is more stylized and less legible. The bottom signature is also stylized and appears to be 'T. [unclear]'.



December 10, 2013

Department of Family and Support Services
1615 W. Chicago Ave., 3rd Fl.
Chicago, IL 60622
Ms. Julia Talbot
Senior Project Manager

Please find proposed 2014 price quote for COPA software services.

2014 Price Quote for COPA Software

Subscription fee for COPA Software and Support	\$415,800.00
Subscription Fee for COPA monitoring Audit Management Tool	\$81,900.00
Subscription fee for COPAnet Intranet solution	\$12,600.00
Subscription fee COPAnet "my.fssagency.com"	\$12,600.00
Subscription fee COPAnet "my.fssagency.com" email Archiving	\$ 6,300.00
Subscription Fee for COPA. CysTraining.mycopa.com	\$12,000.00
Subscription fee for COPA E-Docs Library	\$ 2,400.00
Various Customizations and Reporting allowance including CABS, Eligibility and Billing (Performed in accordance with COPA guidelines, design and policies @\$150/hr)	\$36,000.00
Total:	\$579,600.00

COPA Software Subscription Category

COPA Subscription Fee for Software and Support

Subscription, maintenance, hosting and support services for the COPA software. COPA is provided as a fully hosted web based system, enabling FSS to track and report on Federal, State and local services for more than 40,000 families and 30,000 children, across 50 Agencies and 444 sites.

COPA covers a wide array of modules and services for federal and state compliance such as Recruitment, Eligibility, Enrollment, Attendance, Assessment and Outcomes, Goal settings, Health, Immunization, Disability, Referral, Developmental Screenings, Home Visits, Transportation , Case Management, Fee Tracking, Case History, Employment & Training, Income Eligibility and PIR.

COPA also provides additional modules such as CABS, Professional Development , HR , Attendance scanning and dashboard capability.

COPAorg (monitoring) Subscription for Audit Management Tool

COPA's powerful module for Audits, Monitoring and Self-Assessment. This module provides the ability to monitor site visits, conduct multiple audits and document non-compliance items that can be mapped to component areas, frame works and OHS areas. Action plans can subsequently be assigned to responsible persons and tracked until completion. Statistical reporting, provides a snap shot of any non-compliance indicators and % of corrective actions that need to be performed to be a program of excellence and in compliance with federal and state requirements.

COPAnet CRM

- ▲ COPANet's CRM solution was designed to help organizations respond to the needs of clients, vendors, and partners, all in one centralized and highly-personalized application. The data fields within the CRM are customizable to ensure the solution is a fit with how your organization operates. CRM's tools to capture, track, and share crucial contact information that enable FSS and it's agencies to provide a superior service experience that ultimately results in enhanced client satisfaction and improved employee performance. It can be used as an initial contact management solution for community recruitment or vendor service and contact tracking, beyond child and family matters.

COPAnet Subscription to my.fssaency.com real-time collaboration

- ▲ Real-Time collaboration for degate agencies and FSS staff- COPAnet is a comprehensive suite of cloud-based office apps. These apps work both individually or in tandem to provide you with a complete cloud infrastructure solution. COPANet Apps include Email, Calendar, Tasks, File Sharing, Free Conference Calling, and many others.

With a strong built-in access control, you can ensure that information flows freely, but only to those who are meant to receive it. In addition, with tools like Calendar and Tasks, you will instantly notice the increased productivity through your entire organization.

COPAnet Subscription to my.fssagency.com communication archival

- ▲ Email Archiving- Email loss prevention is a top priority for every organization. Email loss is a concern both for accidental loss of email as well as intentional ones. A tremendous amount of time and cost can be involved in recovering from such data loss, sometimes without any positive results.

With COPAnet's Email Archiving, no server setup or complicated hardware installation is required. All incoming and outgoing emails are automatically archived, ensuring that email is never lost and enabling you to run your operation with peace of mind.

All COPAnet solutions, Modules and Apps resides separately from your COPA data base, with separate log in and access control. This allows FSS to make it available for organizational use to a wider range of staff and agencies, without giving them access to sensitive child or family information.

Annual Subscription Fee for COPA's CysTraining.mycopa. Com

A separate COPA data base with full features that can be mirrored with real data if desired, to be available to FSS and it's 50 Agencies and 444 sites, as a training ground. This data base provides a flexible and worry free training environment for novice to skilled users, without the risk of impacting real data.



**DEPARTMENT OF PROCUREMENT SERVICES
CITY OF CHICAGO
REQUEST FOR NO STATED GOALS**

TO: Jamie L. Rhee
Chief Procurement Officer

FROM: Joseph Chan *JC*
Sr. Procurement Specialist

DATE: March 25, 2014

RE: Subscription Services for Nulinx COPA System

Nulinx was selected by the Department of Family and Support Services (DFSS) to provide specialized tracking of Head Start enrollment and eligibility, site monitoring and document management, customized billing and reimbursement reports for Child Care related programs. DFSS concurs with Nulinx's request for MBE/WBE no stated goals and has determined that it is impracticable for direct participation of MBE/WBE vendor usage on this agreement. Nulinx International, Inc. waiver request is dated November 18, 2013 with the DFSS concurrence dated March 19, 2014.

Nulinx unique and proprietary software along with its secured offsite hosting services is maintained and supported by their highly specialized individuals, so there is no opportunity for direct or indirect participation by City certified MBE or WBE firms. The contract was approved by the Non-Competitive Procurement Review Board (NCRB) on January 12, 2010. The Department of Family and Support Services is requesting the use of the following No Stated Goals language for the Subscription Services for Nulinx COPA System NCRB amendment.

MINORITY AND WOMEN BUSINESS ENTERPRISES

It is the policy of the City of Chicago that local business certified as Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) in accordance with Section 2-92-450 of the Municipal Code of Chicago and Regulations Governing Certification of Minority and Women -owned Businesses shall have the maximum opportunity to participate fully in the performance of all City contracts.

The Chief Procurement Officer has determined that the nature of the services to be provided under this contract is such that neither direct nor indirect subcontracting opportunities will be practicable or cost-effective. Therefore, there will be no stated goals for MBE/WBE participation resulting from this contract. This determination is being made pursuant to Section 2-92-450 of the Municipal Code of Chicago.

CONCUR:
 NOT CONCUR: *[Signature]*
Mecica Jimenez
Deputy Procurement Officer

4/1/2014
Date

APPROVE:
 DISAPPROVE: *[Signature]*
Jamie L. Rhee
Chief Procurement Officer

4/1/14
Date

in receipt 3/26/14



November 18, 2013

Chicago Department of Family and Support Services
Grants, Contracts & Information Technology
1615 West Chicago Avenue
Chicago, Ill 60622

ATTN: Ms. Julia Talbot
Re: Sole Source Provider

Dear Ms. Talbot;

COPA software is a proprietary software that has been developed exclusively by Nulinx International Inc. and it has been in use by more that 4000 users of DFSS since 2004.

COPA has been extensively enhanced and customized based on needs and requirements of DFSS. Specific modules such as CABS have been developed and continue to be enhanced, based on specific requirements of DFSS in mind.

COPA enables DFSS to manage more than 25000 children and families of multiple funding sources, under one software platform. More than 4000 users have been trained on general as well as specific feature of COPA for better efficiency and accuracy of work. This training effort has been contributed to the successful implementation of COPA.

Additional modules such as Monitoring, e-doc digital library, HR and specialty features are among other comprehensive and unique offering of COPA. No other software readily available in the market provides such comprehensive, specific and customized set of features required by DFSS. That makes COPA uniquely qualified as a sole source provider.

If you have any questions, please don't hesitate to contact me at hk@mycopa.com or by calling 818-304-0110.

Best regards,

A handwritten signature in black ink, appearing to read "Hamid Kelishadi", is written over a light blue horizontal line.

Hamid Kelishadi
President
Nulinx International Inc. (COPA)



November 18, 2013

Department of Family and Support Services
Grants, Contracts & Information Technology
1615 West Chicago Avenue
Chicago, Ill 60622

ATTN: Ms. Julia Talbot

Dear Ms. Talbot,

We would like to extend our gratitude to the Department for the opportunity granted to Nulinx International Inc. to provide COPA software to the City of Chicago and Department of Family and Support Services (DFSS). Due to the nature of Nulinx's COPA software annual service agreement, we respectfully request a waiver of the city's MBE/WBE goals on this contract.

Nulinx International Inc. is committed to assisting in the growth of Chicago area MBE/WBE firms and will offer MBE/WBE subcontracting opportunities whenever possible. Unfortunately, this annual service contract does not provide for any.

COPA software is a proprietary software that has been developed exclusively by Nulinx International Inc. No other company is permitted, qualified or authorized to support and provide the comprehensive scope COPA services required by the Chicago Department of Family and Support Services to manage, monitor and serve over 25000 children and families from multiple funding sources.

Nulinx International Inc.'s COPA software, is being provided to the FSS as a hosted solution accessible via the internet. Because of the proprietary nature of the service agreement, confidentiality of information, expertise on the technology and subject and scope of services provided, there is no direct local subcontracting opportunity, MBE/WBE or otherwise, for Nulinx International, Inc. to provide. Additionally, Nulinx International, Inc., the servers, support staff and services providing the hosted system are managed by Nulinx International, Inc. and are located in Los Angeles, California and the ability to use Chicago area MBE/WBE firms for indirect spending is quite limited.

If you have any questions, please don't hesitate to contact me directly at hk@mycopa.com or by calling 818-304-0110.

Best regards,

Hamid Kelishadi
President
Nulinx International Inc. (COPA)



The modular nature of COPA provides a highly customizable solution that can create additional modules and functions to match Organizations' need. Scope of each customization or specific enhancements, must be reviewed and agreed upon by COPA. Customization charges and time of delivery depend on the scope of work and need to be confirmed and finalized per individual specification. Customizations charges may apply and Nulinx retains full rights and ownership of all developments and customization.

The parties agree that prior to entering into this contract, Vendor has developed the COPA solution, a web-based program for processing child information management. Vendor has the exclusive and sole rights to any discovery or invention arising out of or developed in the course of this Agreement and its full confidentiality. Under this Agreement, Vendor may customize or alter its proprietary program to fit the needs of the City. All rights, licenses and royalties belong solely the Vendor. No other party has a royal free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use any or all copyrighted or patented material, without the written consent of the Vendor.

Nulinx will not be liable, nor responsible for the accuracy, legality, and /or appropriateness of the material provided to and provided by DFSS and its employees or staff. Nulinx will further have access to all user information, children and family information and data within the system on an as needed basis.

The parties acknowledge that while COPA solution may be capable of automating a number of different, assessment instruments. Nulinx will not be responsible for copyright issues or to seek any necessary permits or licenses in connection with use by DFSS of any such instrument, tool, or any other educational or other material or information which DFSS or the City may elect to use of COPA solution.

Please visit our web site at www.mycopa.com or contact us at (818) 304-0110 for more information.



CERTIFICATE OF LIABILITY INSURANCE

NULIN-1

OP ID: ER

DATE (MM/DD/YYYY)

03/12/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hanasab Insurance Services Inc CA License: 0E08574 625 S. Fairfax Avenue Los Angeles, CA 90036 Sean Tamasebi	CONTACT NAME: _____	
	PHONE (A/C, No, Ext): _____	FAX (A/C, No): _____
E-MAIL ADDRESS: _____		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A: Hartford Casualty Insurance Co		29424
INSURER B: Employers Compensation Ins. Co		
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
 Nullinx International Corporati
 18425 Burbank Blvd. #614
 Tarzana, CA 91356

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

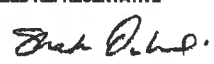
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INBR LTR	TYPE OF INSURANCE	ADDITIONAL SUBROGATION	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	72 SBA UU1842	10/08/2013	10/08/2014	EACH OCCURRENCE \$ 2,000,000
	<input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE EACH OCCURRENCE \$ AGGREGATE \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	EIG 18394570	03/29/2014	03/29/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Tech E&O		72 SBA UU1842	10/08/2013	10/08/2014	Tech E&O 2,000,000 Ded 5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Errors & Omissions Retro Active Date: 02/28/2005
 Valuable Papers & Records: \$25,000 Deductible: \$5,000
 Computers and Media coverage of \$70,000 includes \$20,000 for Server.

CERTIFICATE HOLDER**CANCELLATION**

City of Chicago Procurement Department 121 N. LaSalle St. #403 Chicago, IL 60602	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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CERTIFICATE OF FILING FOR
CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT

EDS Number: 19996

Date of This Filing:02/23/2011 01:20 PM

Certificate Printed on: 02/18/2014

Original Filing Date:12/29/2010 01:53 PM

Disclosing Party: Nulinx International Inc.

Title:President

Filed by: Mr. Hamid Kelishadi

Matter: SUBSCRIPTION SERVICES FOR
NULINX COPA SYSTEM

Applicant: Nulinx International Inc.

Specification #: 73053

Contract #: 19846

The Economic Disclosure Statement referenced above has been electronically filed with the City. Please provide a copy of this Certificate of Filing to your city contact with other required documents pertaining to the Matter. For additional guidance as to when to provide this Certificate and other required documents, please follow instructions provided to you about the Matter or consult with your City contact.

A copy of the EDS may be viewed and printed by visiting <https://webapps1.cityofchicago.org/EDSWeb> and entering the EDS number into the EDS Search. Prior to contract award, the filing is accessible online only to the disclosing party and the City, but is still subject to the Illinois Freedom of Information Act. The filing is visible online to the public after contract award.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT
Related to Contract/Amendment/Solicitation
EDS # 19996

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting the EDS:

Nulinx International Inc.

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

the Applicant

B. Business address of the Disclosing Party:

18425 Burbank Blvd. #614
Tarzana, CA 91356
United States

C. Telephone:

818-304-0110

Fax:

D. Name of contact person:

Mr. Hamid Kelishadi

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains:

SUBSCRIPTION SERVICES FOR NULINX COPA SYSTEM

Which City agency or department is requesting this EDS?

DEPT OF FAMILY AND SUPPORT SERVICES

Specification Number

73053

Contract (PO) Number

19846

Revision Number

Release Number

User Department Project Number

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

Privately held business corporation

Is the Disclosing Party incorporated or organized in the State of Illinois?

No

State or foreign country of incorporation or organization:

California

Registered to do business in the State of Illinois as a foreign entity?

No

B. DISCLOSING PARTY IS A LEGAL ENTITY:

1.a.1 Does the Disclosing Party have any directors?

Yes

1.a.3 List below the full names and titles of all executive officers and all directors, if any, of the entity. Do not include any directors who have no power to select the entity's officers.

Officer/Director: Mr. Hamid Kelishadi

Title: President & CEO

Role: Both

2. Ownership Information

Please provide ownership information concerning each person or entity having a direct or indirect beneficial interest in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate, or other similar entity. Note: Pursuant to Section 2-154-030 of the Municipal code of Chicago, the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

- Mr. Hamid Kelishadi - 100%

Owner Details

Name	Address
Mr. Hamid Kelishadi	18425 Burbank Blvd. #614 Tarzana, CA 91356 United States

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

No

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit

entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

1. Has the Disclosing Party retained any legal entities in connection with the Matter?

No

3. Has the Disclosing Party retained any persons in connection with the Matter?

No

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows:

- i. neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and
- ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

I certify the above to be true

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

3. Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement

- or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
 - d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

I certify the above to be true

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of
- bid-rigging in violation of 720 ILCS 5/33E-3;
 - bid-rotating in violation of 720 ILCS 5/33E-4; or
 - any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

I certify the above to be true

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), Chapter 2-56 (Inspector General) and Chapter 2-156 (Governmental Ethics) of the Municipal Code.

I certify the above to be true

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies that, as defined in Section 2-32-455(b) of the Municipal Code, the Disclosing Party

is not a "financial institution"

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

No

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

SECTION VI -- CERTIFICATIONS FOR FEDERALLY-FUNDED MATTERS

Is the Matter federally funded? For the purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

Yes

A. CERTIFICATION REGARDING LOBBYING

1.a Are there any persons who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter?

No

1.c. Are there any legal entities who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter?

No

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her

lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

I certify to the above.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

I certify to the above.

4. The Disclosing Party certifies that either:

- i. it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 or
- ii. it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

I certify to the above.

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

I certify to the above.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Not applicable because disclosing party has fewer than 50 employees

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

No

Explain:

N/A

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

No

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. A training program is available on line at www.cityofchicago.org/city/en/depts/ethics.html, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in

the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

I acknowledge and consent to the above

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

I certify the above to be true

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

I certify the above to be true

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the

Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

I certify the above to be true

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This question is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all corporate officers of the Disclosing Party, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

No

ADDITIONAL INFO

Please add any additional explanatory information here. If needed you may add an attachment below.

List of vendor attachments uploaded by City staff

None .

List of attachments uploaded by vendor

None .

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

/s/ 02/23/2011

Mr. Hamid Kelishadi

President

Nulinx International Inc.

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.

**CITY OF CHICAGO
PRE-APPROVED
MODIFICATION / OVERRIDE REQUISITION**

Copy (Department)

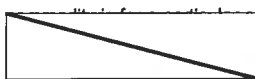
DELIVER TO: 050-2005 FAMILY AND SUPPORT SERVICES 1615 W. CHICAGO AVE. 2ND FL. Chicago, IL 60622	REQUISITION: 88267 For PO Number: 19846 PAGE: 1 DEPARTMENT: 50 - DEPT OF FAMILY AND SUPPORT SEF PREPARER: Eric Echols NEEDED: PRE-APPROVED 2/18/2014
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REQUISITION DESCRIPTION

One year time extension
 SPECIFICATION NUMBER: 73053

COMMODITY INFORMATION

LINE	ITEM	QUANTITY	UOM	UNIT COST	TOTAL COST						
1	92046 Subscription Services, COPA	579,600.00	USD	0.00	0.00						
SUGGESTED VENDOR: Nulinx International		REQUESTED BY: Eric Echols									
DIST	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	
1	014	0100	0502005	0140	220140	0000	00000000	000000	00000	0000	0.00
LINE TOTAL:											0.00
2	92046 Subscription Services, COPA	3.00	Year	0.00	0.00						
SUGGESTED VENDOR: Nulinx		REQUESTED BY: Eric Echols									
DIST	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	
1	014	0100	0502005	0140	220140	0000	00000000	000000	00000	0000	0.00
LINE TOTAL:											0.00
3	92046 One year time extension	1.00	Year	0.00	0.00						
SUGGESTED VENDOR: NULINX INTERNATIONAL, INC.		REQUESTED BY: Julia Talbot									
DIST	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	
1	014	0100	0502005	0140	220140	0000	00000000	000000	00000	0000	0.00
LINE TOTAL:											0.00
REQUISITION TOTAL:											0.00

Where a  unique use other than standard quality, grades, color, size or other characteristics, give details of how it will be and for what purpose. Requisitions prepared incorrectly will be returned to the using department.

Information Technology Governance Board (ITGB) 2014 Project Review

Department Name: The Department of Family and Support Services (DFSS)

Project Name: Nulinx International COPA amendment

Project Description

We are requesting an amendment to our existing contract with Nulinx International (PO19846). Nulinx International is the current provider of our COPA system which is used to track and manage client information for our Head Start and Illinois Department of Human Services Child Care programs.

Project Priority

Not applicable.

Project History

The Department of Family and Support Services (DFSS) first entered into a contract with Nulinx International in 2004 under PO 6780 in order to correct the final area of non-compliance for the City of Chicago's Head Start program. The initial Nulinx International contract was procured as an emergency contract when it was realized that reconfiguring the tracking database in use at the time (the Head Start Eligibility Verification database) was taking longer than anticipated. Nulinx was identified with the assistance of the Department of Business Information Systems (now known as the Department of Innovation and Technology (DOIT) as the only source which would meet all of our tracking needs for family and child data in addition to eligibility and enrollment; functions that directly inform DFSS's ability to reimburse its delegate agency services providers accurately and in a timely manner. These functions were and are still managed by Nulinx's Child Outcome Planning and Assessment (COPA) program.

Subsequently, it was also determined that Nulinx was the most cost efficient vendor to produce customized reports mandated by Head Start's grantor, the United States Department of Health and Human Services (HHS). Later, DFSS was able to also add to its COPA system allowing us to better manage our Illinois Department of Human Services (IDHS) Child Care grant's attendance tracking and billing functions. Over time, even more functions and features have been incorporated into the COPA platform, leading to the creation of a truly one of a kind data management tool that has become an integral part of DFSS's management of its Head Start and Child Care grants.

DFSS's current highly customized version of COPA is vital and unique because of the size of our Head Start grant and the complexity created by managing two separate child care programs in one database. The City of Chicago's Head Start program is one of the largest single operating Head Start grants in the country and our IDHS Childcare program serves an additional 1,400 children. As such, we track over 20,000 children and associated case files using the COPA system on a daily basis. There are only two other Head Start grants of similar size currently operating in the country, New York City and Los Angeles. Neither New York nor Los Angeles's COPA-like tracking systems currently are capable of providing the depth of reporting and data management that Chicago currently has with COPA. Neither of those systems currently have the capacity to manage federal and state child care dollars on one platform.

Given the longevity of DFSS's relationship with COPA and our collaborative work, it has been noted by staff that Chicago's system as provided by COPA is far more sophisticated and able to run more reports, providing more usable data to administrative and front line staff. This becomes even more relevant in light of the City's upcoming Head Start triennial review where the information managed by the COPA system will determine our compliance and success in several key areas - both those relating to program operations (such as attendance, health and disability checks) as well as more administrative functions such as staff professional development. As a result of findings from their most recent triennial reviews, both Los Angeles and New York's Head Start grants were put up for re-competition rather than a receiving a direct renewal to those city's municipal governments. DFSS is seeking to avoid a similar outcome.

In 2009, DFSS requested a sole source contract for Nulinx International which was awarded for a term of three years with the option to amend (PO 19846.). Please refer to Attachment 3 to see DFSS's first sole source request for greater information.

We are currently requesting permission from the NCRB to enter into a one-year extension of Nulinx's current contract.

Summary of Major Project Benefits

1. The greatest benefit of the Nulinx contract is that it has brought us into compliance on our Head Start grant.
2. COPA has also allowed us to more efficiently and accurately manage voucher reimbursement for our IDHS Child Care program.

Summary of Major Risks

1. Without access to this unique database we would have a difficult time accurately managing and approving vouchers to our Head Start and IDHS Child Care programming providers. Ultimately, delays and avoidable mistakes could jeopardize funded which currently totals over \$146,000,000 annually.

Project Timeline

Explain:

- o **When you anticipate the project will start if funded?**
This program is a continuation of a project in operation for ten years. The amendment we are requesting will begin in March, 2014.
- o **How long the project will take to complete?**
Our COPA subscription is renewed on an annual basis. However, the work performed by COPA is on-going and contingent on our Head Start and Child Care programs.
- o **What dependencies exist?**
DFSS's need for COPA is contingent on the renewal of the Department's Head Start and Child Care funding. Should we lose or not renew this funding, we would no longer need COPA.
- o **Any other issues that require further research?**
Not Applicable.

Capital Request

Not applicable.

Future Capital Funding Request

Not applicable.

Operating Costs

Provide a yearly cost of operating the new project once complete. This should include:

- Additional staff/consulting needed to maintain project
Not Applicable.

- Recurring hardware maintenance:
Not Applicable.

- Recurring software licensing/maintenance/hosting fees:
\$415,800.00

- Recurring training
Not Applicable.

Annual Savings/ Payback (in years)

Not Applicable.

Why might we not want to do this?

DFSS's COPA subscription does represent an expenditure.

Benefits

The COPA system provides many benefits to both DFSS and the City of Chicago as a whole. The use of COPA helps to keep DFSS in compliance with two grants totaling over \$145,000,000 annually and tracking the childcare for over 20,000 of Chicago's low income children.

Over the ten years it has been in use by DFSS, Nulinx International has been able to fine tune DFSS's version of COPA creating a system that is far superior in that it provides greater functionality than other comparable systems.

Given the longevity of the existing contract/relationship, it would be prohibitively expensive and time consuming to replace the COPA with another system.

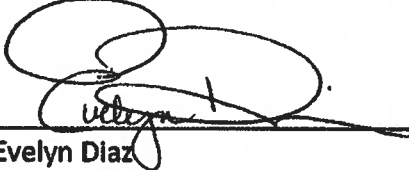


DEPARTMENT OF FAMILY AND SUPPORT SERVICES
CITY OF CHICAGO

MEMORANDUM

To: Jamie Rhee
Chief Procurement Officer
Department of Procurement Services

Attn: Rich Butler
1st Deputy Procurement Officer
Department of Procurement Services

From: 
Evelyn Diaz
Commissioner
Department of Family and Support Services

Subject: Conditional Approval Follow-up Items for the Non-Competitive Review Board (NCRB) for Nulinx International (Req. #88873)

Date: May 27, 2014

The Chicago Department of Family and Support Services (DFSS) presented to the NCRB on May 7, 2014 to request permission for a time extension of one additional year as well as a vendor limit increase in the amount of \$579,000 for Nulinx International (PO 19846). These modifications are needed in order to support the work of the contract through the complete term (including extension options) of the contract.

To date Nulinx via its Child Outcome Planning and Assessment (COPA) system provides DFSS with the ability to manage, track and report out on our Head Start, Early Head Start, and Child Care Assistance Program grants which provide \$145 million dollar of vitally needed support and programming for some of Chicago's neediest families and communities. This system allows DFSS to maintain its good standing/compliance with

our federal and state funders (United States Department of Health and Human Services and Illinois Department of Human Services), as well as facilitating the expenditure of the grant funds both correctly and efficiently.

Per the direction of the NCRB Secretary (see attached email) we are including the following in order to satisfy the conditional approval for the amendment request:

- i. Verify that the contract states that the NCRB Committee can approve a two year extension instead of one year. **See attached email to the NCRB Secretary Collen Twohig on extension options**
- ii. Provide ITGB approval documentation. A memo from Brenna Berman will be sufficient. **Attached**
- iii. Insert Data Protection language - **The language is attached and has been forwarded to Joseph Chan to be included in the amendment.**
- iv. Copy of grant agreements. – **Attached**
- v. Acknowledge that you will begin the RFP process now. - **The Department acknowledges that it will begin the RFP process immediately. There is an internal meeting scheduled for June 10, 2014 with the business owners of the system and a subsequent meeting will be held with the Department of Innovation and Technology to discuss options for procurement and development of the RFP within the city's technology standards.**

Please feel free to contact David Wells at 312-743-0155 if you have any further questions.

Thank you and your staff for your continued support.

cc: D Wells
V. Rich
C. Twohig
J. Talbot
J. Kirby
J. Chan

Attachments

Butler, Richard

From: Talbot, Julia
Sent: Wednesday, June 11, 2014 10:18 AM
To: Butler, Richard; Twohig, Colleen
Cc: Wells, David
Subject: Nulinx meetings

Hi Colleen and Rich,

In answer to your question, the meeting referenced in the May 27, 2014 memo with the COPA owners occurred on Monday (not Tuesday) . David will be meeting with DOIT tomorrow to discuss the RFP.

Please let me know if there any other way I can be of help on this.

Thanks,

Julia

From: Butler, Richard
Sent: Wednesday, June 11, 2014 10:01 AM
To: Talbot, Julia
Subject: Call Me Please
Importance: High

Rich Butler

First Deputy Procurement Officer

City of Chicago, Department of Procurement Services

121 N LaSalle Street, Rm. 806, Chicago, IL 60602

Phone: 312-742-4500 Fax: 312-744-8732

richard.butler@cityofchicago.org

Customer Care is our priority. Please contact us with compliments or concerns at dps.feedback@cityofchicago.org. Please visit our website for information on programs, policies and procedures www.cityofchicago.org/procurement

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Twohig, Colleen

From: Talbot, Julia
Sent: Wednesday, May 21, 2014 12:39 PM
To: Twohig, Colleen
Subject: Nulinx International NCRB Package - Conditional Items

Dear Madame Secretary:

As per our meeting with the NCLB on May 6, 2014 to discuss our proposal to amend the current PO 19846 with Nulinx International for one year, we were instructed to research this contract's ability to be extended for one additional year for a total of two years. Unfortunately, upon examination, we have been able to verify via PO 19846 that only one single year amendment is possible. Please note this for your files associated with this matter.

Best,

Julia Talbot
Senior Project Manager
Department of Family and Support Services
1615 W. Chicago Ave., 5th Fl.
Chicago, IL 60622

312-743-1679 (phone)
312-746-7776 (fax)
jtalbot@cityofchicago.org

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(d) *Service Level Agreement.* Contractor shall conform to the Service Level Agreement for Remote Hosting Services set forth in Exhibit 8.

3.8 Maintenance and Support Services

Contractor will provide Software maintenance and support services for the Child Outcome Planning and Assessment Software set forth in Exhibit 1A.

ARTICLE 4. DURATION OF AGREEMENT

4.1 Term of Performance

This Agreement takes effect as of the Effective Date and continues, except as provided under Sections 5.5 or Article 9, for 36 months, and renewed annually if not terminated by the City within 30 days of each renewal period or as that date may be extended under Section 4.3.

4.2 Timeliness of Performance

(a) Contractor must provide the Services and Deliverables within the time limits required under any task order or request for services pursuant to the provisions of Section 2.1 and Exhibit 1, Exhibit 1A and Exhibit 8. **Further, Contractor acknowledges that TIME IS OF THE ESSENCE and that the failure of Contractor to comply with the required time limits may result in economic or other losses to the City.**

(b) Neither Contractor nor Contractor's agents, employees or Subcontractors are entitled to any damages from the City, nor is any party entitled to be reimbursed by the City, for damages, charges or other losses or expenses incurred by Contractor by reason of delays or hindrances in the performance of the Services, unless caused by the City.

4.3 Agreement Extension Option

This Agreement will be in effect for the dates indicated within this Agreement for a 36 month term. The Chief Procurement Officer may exercise the City's right to extend this Agreement following the expiration of the base Agreement term for up to 12 months, subject to acceptable performance by the Contractor and contingent upon the appropriation of sufficient funds for the procurement of services provided for in this Agreement.

Before expiration of the then current Agreement term, the Chief Procurement Officer will give the Contractor notice, in writing, that the City is exercising its option to renew the Agreement for the approaching option period. The date on which the Chief Procurement Officer gives notice is the date the notice is mailed, if it is mailed, or the date the notice is delivered, if

sent by courier or messenger service.

With the same amount of notice as for options, the City reserves the right to extend the Agreement for a period of no more than one hundred eighty-one (181) calendar days, either in lieu of exercising an option period or following the exhaustion of all option periods, for the purpose of providing continuity of service while procuring a replacement contract.

ARTICLE 5. COMPENSATION

5.1 Basis of Payment

The City will pay Contractor according to the Schedule of Compensation in the attached Exhibit 2 for the completion of the Services in accordance with this Agreement, including the standard of performance in Section 2.3.

5.2 Method of Payment

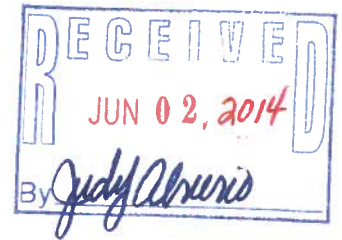
Contractor must submit annual invoices to the City for the COPA Software license subscriptions, as outlined in the Schedule of Compensation in Exhibit 2. The invoices must be in such detail as the City requests. The City will process payment within 60 days after receipt of invoices and all supporting documentation necessary for the City to verify the Services provided under this Agreement. Contractor must submit invoices to the City for the additional customization, training and reports construction when these categories are completed.

5.3 Taxes

Federal Excise Tax does not apply to materials purchased by the City of Chicago by virtue of Exemption Certificate No. 36-6005820 and State of Illinois Sales Tax does not apply by virtue of Exemption No. E9998-1874-09. Illinois Retailers' Occupation Tax, Use Tax and Municipal Retailers Occupation Tax do not apply to materials or services purchased by the City of Chicago by virtue of Statute. The price herein shall include all other Federal and/or State, direct and/or indirect taxes which apply. The prices herein shall agree with all Federal laws and regulations.

5.4 Funding

The source of funds for payments under this Agreement is Fund number 010-0890-0502005-0140-220140-10HH30 and 010-0585-0502005-0140-220140-10GX91. Payments under this Agreement must not exceed \$1,607,144.50 without a written amendment in accordance with Section 10.3. Funding for this Agreement is subject to the availability of funds and their appropriation by the City Council of the City.



DEPARTMENT OF INNOVATION AND TECHNOLOGY
CITY OF CHICAGO

MEMORANDUM

To: Jamie Rhee
Chief Procurement Officer
Department of Procurement Services

Attn: Rich Butler
1st Deputy Procurement Officer
Department of Procurement Services

From: 
Brenna Berman
Commissioner and Chief Information Officer
Department of Innovation and Technology

Subject: Information Technology Governance Board Approval - Nulinx International (Req. #88873/PO 19846)

Date: May 23, 2014


JUN 03 2014

The Information Technology Governance Board reviewed the Department of Family and Support Services Non-Competitive Review Board (NCRB) application for Nulinx International (Req. 88873/PO# 19846) and has found that the application is compliant and within the guidelines for the City's environment and therefore is approving the request. We have apprised the department that the attached data protection language must be included in the contract to insure that the vendor is compliant with the City's data protection requirements.

If you have any questions related to the document attached, please contact Arlan McMillan, Chief Information Security Officer at 4-1345.

cc: Commissioner Diaz
D. Wells
C. Twohig
J. Talbot
J. Chan

Attachment

Data Protection Requirements for Contractors, Vendors and Third-Parties

FINAL (4/2/13)

"Breach" means the acquisition, access, use, or disclosure of Protected Information that compromises the security or privacy of the Protected Information.

"Contractor" means an entity that receives or encounters Protected Information. Contractor includes, without limitation, entities that store Protected Information, or host applications that process Protected Information. The provisions of this Data Policy includes not only the entity that is a signatory to this Policy but all subcontractors, of whatever tier, of that entity; the signatory must inform and obtain the agreement of such subcontractors to the terms of this Data Policy.

"Protected Information" means all data provided by City to Contractor or encountered by Contractor in the performance of the services to the City, including, without limitation, all data sent to Contractor by City and/or stored by Contractor on its servers. Protected Information includes, but is not limited to, employment records, medical and health records, personal financial records (or other personally identifiable information), research data, and classified government information. To the extent there is any uncertainty as to whether any data constitutes Protected Information, the data in question shall be treated as Protected Information.

1. Information Security. Contractor agrees to the following:

1.1. General. Notwithstanding any other obligation of Contractor under this policy, Contractor agrees that it will not lose, alter, or delete, either intentionally or unintentionally, any Protected Information, and that it is responsible for the safe-keeping of all such information, except to the extent that the City directs the Contractor in writing to do so.

1.2. Access to Data. In addition to the records to be stored / maintained by Contractor, all records that are possessed by Contractor in its service to the City of Chicago to perform a governmental function are public records of the City of Chicago pursuant to the Illinois Freedom of Information Act (FOIA), unless the records are exempt under the Act. FOIA requires that the City produce records in a very short period of time. If the Contractor receives a request from the City to produce records, the Contractor shall do so within 72 hours of the notice.

1.3. Minimum Standard for Data at Rest and Data in Motion. Contractor must, at a minimum, comply, in its treatment of Protected Information, with National Institute of Standards and Technology (NIST) Special Publication 800-53 Moderate Level Control. Notwithstanding this requirement, Contractor acknowledges that it must fully comply with each additional obligation contained in this policy. If data is protected health information or electronic protected health information, as defined in the Health Insurance Portability and Accountability Act and Health Information Technology for Economic and Clinical Health Act (HIPAA/HITECH) and regulations implementing these Acts (see 45 CFR Parts 160 and 164), it must be secured in accordance with "Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals," available on the United States Department of Health and Human Services (HHS) website (<http://www.hhs.gov/ocr/privacy/hipaa/administrative/breachnotificationrule/index.html>), or at Volume 74 of the Federal Register, beginning at page 42742. That guidance from the HHS states that valid encryption processes for protected health information data at rest (e.g., protected health information resting on a server), must be consistent with the NIST Special Publication 800-111, Guide for Storage Encryption Technologies for End User Devices. Valid encryption processes for protected health information data in motion (e.g., transmitted through a network) are those which comply with NIST Special Publications 800-52, Guidelines for the Selection and Use of Transport Layer Security Implementation; 800-77, Guide to IPsec VPNs; or 800-113, Guide to SSL VPNs, or others which are Federal Information Processing Standards (FIPS) 140-2 validated.

- 1.4. Where Data is to be Stored. All data must be stored only on computer systems located in the continental United States.
- 1.5. Requirement to Maintain Security Program. Contractor acknowledges that the City has implemented an information security program to protect the City's information assets, which Program is available on the City website at http://www.cityofchicago.org/city/en/depts/doi/supp_info/initiatives_-_informationsecurity.html ("City Program"). Contractor shall be responsible for establishing and maintaining an information security program that is designed to: (i) ensure the security and confidentiality of Protected Information; (ii) protect against any anticipated threats or hazards to the security or integrity of Protected Information; (iii) protect against unauthorized access to or use of Protected Information; (iv) ensure the proper disposal of Protected Information; and, (v) ensure that all subcontractors of Contractor, if any, comply with all of the foregoing.
- 1.6. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described herein, in no case shall the safeguards of Contractor's information security program be less stringent than the information security safeguards used by the City Program.
- 1.7. Right of Audit by the City of Chicago. The City of Chicago shall have the right to review Contractor's information security program prior to the commencement of Services and from time to time during the term of this Agreement. During the performance of the Services, from time to time and without notice, the City of Chicago, at its own expense, shall be entitled to perform, or to have performed, an on-site audit of Contractor's information security program. In lieu of an on-site audit, upon request by the City of Chicago, Contractor agrees to complete, within forty-five (45 days) of receipt, an audit questionnaire provided by the City of Chicago or the City of Chicago's designee regarding Contractor's information security program.
- 1.8. Audit by Contractor. No less than annually, Contractor shall conduct an independent third-party audit of its information security program and provide such audit findings to the City of Chicago, all at the Contractor's sole expense.
- 1.9. Audit Findings. Contractor shall implement at its sole expense any remedial actions as identified by the City as a result of the audit.
- 1.10. Demonstrate Compliance - PCI. No less than annually, as defined by the City of Chicago and where applicable, the Contractor agrees to demonstrate compliance with PCI DSS (Payment Card Industry Data Security Standard). Upon City's request, Contractor must be prepared to demonstrate compliance of any system or component used to process, store, or transmit cardholder data that is operated by the Contractor as part of its service. Similarly, upon City's request, Contractor must demonstrate the compliance of any third party it has sub-contracted as part of the service offering. As evidence of compliance, the Contractor shall provide upon request a current attestation of compliance signed by a PCI QSA (Qualified Security Assessor).
- 1.11. Demonstrate Compliance – HIPAA / HITECH. If the Protected Information includes protected health information or electronic protected health information covered under HIPAA/HITECH, Contractor must execute, and be governed by, the provisions in its contract with the City regarding HIPAA/HITECH, the regulations implementing those Acts, and the Business Associate Agreement in its contract with the City. As specified in 1.3, protected health information must be secured in accordance with the "Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals."
- 1.12. Data Confidentiality. Contractor shall implement appropriate measures designed to ensure the confidentiality and security of Protected Information, protect against any anticipated hazards or threats to the integrity or security of such information, protect against unauthorized access or disclosure of information, and prevent any other action that could result in substantial harm to the City of Chicago or an individual identified with the data or information in Contractor's custody.
- 1.13. Compliance with All Laws and Regulations. Contractor agrees that it will comply with all laws and regulations.

- 1.14. Limitation of Access. Contractor will not knowingly permit any Contractor personnel to have access to any City of Chicago facility or any records or data of the City of Chicago if the person has been convicted of a crime in connection with (i) a dishonest act, breach of trust, or money laundering, or (ii) a felony. Contractor must, to the extent permitted by law, conduct a check of public records in all of the employee's states of residence and employment for at least the last five years in order to verify the above. Contractor shall assure that all contracts with subcontractors impose these obligations on the subcontractors and shall monitor the subcontractors' compliance with such obligations.
- 1.15. Data Re-Use. Contractor agrees that any and all data exchanged shall be used expressly and solely for the purposes enumerated in the Agreement. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. As required by Federal law, Contractor further agrees that no City of Chicago data of any kind shall be revealed, transmitted, exchanged or otherwise passed to other Contractors or interested parties except on a case-by-case basis as specifically agreed to in writing by an officer of the City of Chicago with designated data, security, or signature authority.
- 1.16. Safekeeping and Security. Contractor will be responsible for safekeeping all keys, access codes, passwords, combinations, access cards, personal identification numbers and similar security codes and identifiers issued to Contractor's employees, agents or subcontractors. Contractor agrees to require its employees to promptly report a lost or stolen access device or information to their primary business contact and to the City of Chicago Information Security Office.
- 1.17. Mandatory Disclosure of Protected Information. If Contractor is compelled by law or regulation to disclose any Protected Information, the Contractor will provide to the City of Chicago with prompt written notice so that the City of Chicago may seek an appropriate protective order or other remedy. If a remedy acceptable to the City of Chicago is not obtained by the date that the Contractor must comply with the request, the Contractor will furnish only that portion of the Protected Information that it is legally required to furnish, and the Contractor shall require any recipient of the Protected Information to exercise commercially reasonable efforts to keep the Protected Information confidential.
- 1.18. Data Breach. Contractor agrees to comply with all laws and regulations relating to data breach, including without limitation, the Illinois Personal Information Protection Act and other applicable Illinois breach disclosure laws and regulations. Data breaches of protected health information and electronic protected health information shall be governed by the provisions regarding HIPAA/HITECH, and the regulations implementing those Acts, in the Contractor's contract with the City, specifically the Business Associate Agreement in such contract. Contractor will immediately notify the City if security of any Protected Information has been breached, and will provide information as to that breach in such detail as requested by the City. Contractor will, if requested by the City, notify any affected individuals of such breach at the sole cost of the Contractor.
- 1.19. Data Sanitization and Safe Disposal. All physical and electronic records must be retained per federal, state and local laws and regulations, including the Local Records Act. Where disposal is approved, the Contractor agrees that prior to disposal or reuse of all magnetic media (e.g. hard disk, floppy disk, removable media, etc.) which may have contained City of Chicago data shall be submitted to a data sanitization process which meets or exceeds DoD 5220.28-M 3-pass specifications. Certification of the completion of data sanitization shall be provided to the City of Chicago within 10 days of completion. Acceptance of Certification of Data Sanitization by the Information Security Office of the City of Chicago is required prior to media reuse or disposal. All other materials which contain City of Chicago data shall be physically destroyed and shredded in accordance to NIST Special Publication 800-88, Guidelines for Media Sanitization, specifications.
- 1.20. End of Agreement Data Handling. The Contractor agrees that upon termination of this Agreement it shall return all data to the City of Chicago in a useable electronic form, and erase, destroy, and render unreadable all data in its entirety in accordance to the prior stated Data Sanitization and Safe Disposal provisions. Data must be rendered in a manner that prevents its physical reconstruction through the use of commonly available file restoration utilities. Certification in writing that these actions have been completed must be provided within 30 days of the termination of this Agreement or within 7 days of a request of an agent of the City of Chicago, whichever shall come first.

Authors: Vanessa Burrows, Arlan McMillan, Steve Tantillo

**Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)**

SAI NUMBER:

PMS DOCUMENT NUMBER:
05CH010150

1. AWARDING OFFICE: OA/OGM/Region V		2. ASSISTANCE TYPE: Discretionary Grant		3. AWARD NO.: 05CH0101/50		4. AMEND. NO.:			
5. TYPE OF AWARD: SERVICE			6. TYPE OF ACTION: Non-competing Continuation			7. AWARD AUTHORITY: 42 USC 9801 ET SEQ.			
8. BUDGET PERIOD: 12/01/2013 THRU 11/30/2014				9. PROJECT PERIOD: INDEFINITE				10. CAT NO./CFDA: 93.600 ...	
11. RECIPIENT ORGANIZATION: CITY OF CHICAGO Department of Family and Support Services 1615 West Chicago Avenue Chicago IL 60622 Anthony A. Cole, First Vice-Chair, Chicago Committee on Urban Opportunity						12. PROJECT / PROGRAM TITLE: HEAD START/EARLY HEAD START			

13. COUNTY: COOK		14. CONGR. DIST.: 04, 01, 02, 03, 0		15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR: Evelyn J Diaz, Commissioner			
---------------------	--	--	--	--	--	--	--

16. APPROVED BUDGET:				17. AWARD COMPUTATION:			
Personnel.....	\$	4,441,628		A. NON-FEDERAL SHARE.....	\$	15,338,022	15.48 %
Fringe Benefits.....	\$	1,644,735		B. FEDERAL SHARE.....	\$	83,752,087	84.52 %
Travel.....	\$	9,100		18. FEDERAL SHARE COMPUTATION:			
Equipment.....	\$	0		A. TOTAL FEDERAL SHARE.....	\$	83,752,087	
Supplies.....	\$	514,500		B. UNOBLIGATED BALANCE FEDERAL SHARE.....	\$		
Contractual.....	\$	74,926,635		C. FED. SHARE AWARDED THIS BUDGET PERIOD..	\$	83,752,087	
Facilities/Construction.....	\$	0		19. AMOUNT AWARDED THIS ACTION:			
Other.....	\$	332,500			\$	83,752,087	
Direct Costs.....	\$	81,869,098		20. FEDERAL \$ AWARDED THIS PROJECT PERIOD:			
Indirect Costs.....	\$	1,882,989			\$		
At % of \$				21. AUTHORIZED TREATMENT OF PROGRAM INCOME:			
In Kind Contributions.....	\$	0		22. APPLICANT EIN:			
Total Approved Budget(**)...	\$	83,752,087		1-366005820-B6	23. PAYEE EIN:		24. OBJECT CLASS:
				1-366005820-B6	1-366005820-B6		41.51

25. FINANCIAL INFORMATION:						DUNS: 167217822	
ORGN	DOCUMENT NO.	APPROPRIATION	CAN NO.	NEW AMT.	UNOBLIG.	NONFED %	
OGM	05CH010150	75-4-1536	2014 G054120	\$870,027			
OGM	05CH010150	75-4-1536	2014 G054121	\$109,782			
OGM	05CH010150	75-4-1536	2014 G054122	\$78,612,440			
OGM	05CH010150	75-4-1536	2014 G054125	\$4,159,838			

26. REMARKS: (Continued on separate sheets)

Client Population: 17731.
Number of Delegates: 41.
Paid by DHHS Payment Management System (PMS), see attached for payment information.
This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.
This includes requirements in Parts I and II (available at <http://www.hhs.gov/asfr/ogapa/grantinformation/hhsggps107.pdf>) of the HHS GPS.

27. SIGNATURE - ACF GRANTS OFFICER Eric P. Staples <i>Eric P. Staples</i> 11/25/2013		DATE: 11/25/2013		28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY Katie L. Williams <i>Katie L. Williams</i>	
29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) Kay Willmoth, Regional Program Manager <i>Kay Willmoth</i>		DATE: 11/21/13			

**Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)**

SAI NUMBER:

PMS DOCUMENT NUMBER:
05CH010150

1. AWARDING OFFICE: OA/OGM/Region V		2. ASSISTANCE TYPE: Discretionary Grant	3. AWARD NO.: 05CH0101/50	4. AMEND. NO.
5. TYPE OF AWARD: SERVICE		6. TYPE OF ACTION: Non-competing Continuation	7. AWARD AUTHORITY: 42 USC 9801 ET SEQ.	
8. BUDGET PERIOD: 12/01/2013 THRU 11/30/2014		9. PROJECT PERIOD: THRU	10. CAT NO/JCFDA: 93.600	
11. RECIPIENT ORGANIZATION: CITY OF CHICAGO, Department of Family and Support Services				

26. REMARKS: (Continued from previous page)

Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 74 or 92, directly apply to this award apart from any coverage in the HHS GPS.

This award is subject to requirements or limitations in any applicable Appropriations Act.

This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104).

For the full text of the award term, go to <https://www.acf.hhs.gov/grants/discretionary-competitive-grants>.

This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and DATA Universal Number System (DUNS).

For full text go to <https://www.acf.hhs.gov/grants/discretionary-competitive-grants>.

This award is subject to requirements as set forth in 2 CFR 25.110.

For full text go to http://www.acf.hhs.gov/grants/msg_sf425.html.

This grant is subject to the requirements as set forth in 45 CFR Part 87.

Attached are terms and conditions, reporting requirements, and payment instructions.

Initial expenditure of funds by the grantee constitutes acceptance of this award.

This award is subject to HHS regulations codified at 45 CFR 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309 and 1310. (***) Reflects only federal share of approved budget.

Due to funding limitations under the continuing resolution for Fiscal Year (FY) 2014, this grant action awards partial funds under Common Accounting Numbers (CAN) G054120, G054121, G054122 and G054125 for the budget period. The projected annual funding level in FY 2014 for Head Start operations is \$112,303,485, and the training and technical assistance allocation is \$1,242,896. The projected annual funding level in FY 2014 for Early Head Start operations is \$5,942,626, and the training and technical assistance allocation is \$156,831. The balance of the funds will be awarded when funds are available, subject to the final appropriation for the Head Start program for FY 2014.

This grant award action approves a waiver for a portion of the agency's non-Federal share match requirement. This action reduces the agency's amount of matching funds from \$20,938,022 to \$15,338,022 for the December 1, 2013 through November 30, 2014 budget period.

The request for a waiver of the provision at 45 C.F.R. 1306.32(c)(2) to allow the grantee's delegate agency, Northwestern University Settlement Association, to operate double session classes 5 days per week for 68 children is approved.

The request for continuation of the waiver of the provision at 45 C.F.R. 1306.32(c)(2) to allow the grantee's delegate agency, Chicago Public Schools, to operate double session classes 5 days per week for 6,052 children is approved.

This grant is subject to the requirements for contribution of the non-Federal share match and approval of key staff, the limitations on development and administrative costs and employee compensation, and prior approval for the purchase, construction and major renovation of facilities as specified in Attachment 1.

The Head Start and Early Head Start client populations, designated service areas and approved program options are specified in Attachment 2.

Attachment 1

Award Number: 05CH0101/50

Recipient Organization: City of Chicago

This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. § 1301.20 requiring a non-Federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. § 1301.32 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-Federal share contribution of such costs. The requirements for a non-Federal match of 20 percent and the limitation of 15 percent for development and administrative costs apply to the 12/1/2013-11/30/2014 budget period unless a waiver is approved. Any request for a waiver of the non-Federal share match, or a portion thereof, that meets the conditions under Section 640(b)(1)-(5) of the Head Start Act or 45 C.F.R. Section § 1301.21 or a waiver of the limitation on development and administrative costs that meets the conditions under 45 C.F.R. § 1301.32(g) must be submitted in advance of the end of the budget period.

The HHS GPS (II-56) (see above and 45 C.F.R. § 74.25(c)(2) and 45 C.F.R. § 92.30(d)(3) (as applicable) provide the authority to ACF to approve key staff of Head Start grantees. For the purposes of this grant, key staff is defined as the Head Start Director or person carrying out the duties of the Head Start Director if not under that title and the Chief Executive Officer, Executive Director and/or Chief Fiscal Officer if any of those positions is funded, either directly or through indirect cost recovery, more than 50 percent with Head Start funds.

Section 653 of the Head Start Act prohibits the use of any Federal funds, including Head Start grant funds, to pay any portion of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for Level II of the Executive Schedule, currently \$179,700.

Prior approval must be obtained under 45 C.F.R. Part 1309 to use Head Start grant funds for the initial or ongoing purchase, construction and major renovation of facilities. No Head Start grant funds may be used toward the payment of one-time expenses, principal and interest for the acquisition, construction or major renovation of a facility without the express written approval of the Administration for Children and Families.

ATTACHMENT 2

AWARD NO.: 05CH0101/50

RECIPIENT ORGANIZATION: City of Chicago

Head Start population: 16,808 children.

Designated Head Start service area: The City of Chicago within Cook County, inclusive of the shared service areas of Bridgeport, Edgewater, Edgewood, Fuller Park, Grand Boulevard, Hermosa, Humboldt Park, Kenwood, Logan Square, Morgan Park, New City, Oakland, Rogers Park, Uptown, Washington Park, West Englewood, West Town and Wicker Park neighborhoods with the Ounce of Prevention Fund (05CH6100).

Approved program options for the Head Start program: Center-based, home-based and family child care.

Early Head Start population: 923 infants, toddlers and pregnant women.

Designated Early Head Start service area: Albany Park, Armour Square, Auburn Gresham, Austin, Avondale, Chatham, Douglas, Edgewater, Fuller Park, Gage Park, East Garfield Park, Logan Square, Near North Side, Near West Side, Near South, North Lawndale, Oakland, Roseland, Washington Heights, West Lawn, West Town, West Pullman and Woodlawn neighborhoods of Chicago within Cook County.

Approved program options for the Early Head Start program: Center-based, home-based and family child care.

APPLICATION FOR FEDERAL ASSISTANCE				Applicant Identifier: 05CH0101			
				Federal Identifier: ACYF-IMO-HS-00-22			
TYPE OF SUBMISSION			DATE RECEIVED BY FEDERAL AGENCY:				
<input type="checkbox"/> Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction			ORGANIZATIONAL UNIT:				
			CHICAGO DEPARTMENT OF FAMILY & SUPPORT SERVICES				
APPLICANT INFORMATION							
Legal Name: CITY OF CHICAGO			TYPE OF APPLICATION: (Check one)				
Organizational DUNS: 167217822			<input type="checkbox"/> New <input type="checkbox"/> Continuation <input checked="" type="checkbox"/> Revision				
Address			TITLE (Choose one) <input checked="" type="checkbox"/> EARLY HEAD START <input checked="" type="checkbox"/> HEAD START				
Street: 1615 W. CHICAGO AVENUE			CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 93.600				
City: CHICAGO			TYPE OF APPLICATION: (Check one)				
County: COOK			If Revision, check one				
State: IL Zip Code: 60622			<input type="checkbox"/> Increase Award <input checked="" type="checkbox"/> Decrease Award				
Country: U.S.A.							
EMPLOYER IDENTIFICATION NUMBER (EIN)			AREAS AFFECTED BY PROJECT: City of Chicago				
36-6005820							
TYPE OF APPLICANT: (Choose one)			NAME OF FEDERAL AGENCY:				
<input type="checkbox"/> Not for Profit <input checked="" type="checkbox"/> Municipal <input type="checkbox"/> Private University <input type="checkbox"/> Other			US DEPARTMENT OF HEALTH & HUMAN SERVICES, ACF				
			DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:				
			APPLICATION TO PROVIDE CONTINUING COMPREHENSIVE DEVELOPMENTAL SERVICES TO CHILDREN OF INCOME ELIGIBLE FAMILIES (Choose one)				
PROPOSED PROJECT:			<input checked="" type="checkbox"/> 0-3 YEARS OF AGE <input checked="" type="checkbox"/> 3-5 YEARS OF AGE				
Start Date: 12/1/2012 Ending Date: 11/30/2013							
ESTIMATED FUNDING			IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS? NO				
a. Federal		\$119,645,838					
b. Applicant (Non-Federal share)		\$29,911,460					
c. State							
d. Local							
e. Other							
f. Program Income:			IS THE APPLICANT DELIQUENT ON ANY FEDERAL DEBT?				
g. Total		\$149,557,298	<input type="checkbox"/> YES, attach an explanation <input checked="" type="checkbox"/> NO				
<p>TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.</p>							
BOARD OF DIRECTORS - CHAIR PERSON			PARENT POLICY COMMITTEE - CHAIR PERSON				
Prefix	Mr.	First Name	Anthony	Prefix	Ms.	First Name	Tameka
Last Name	Cole		Date	12/14/13	Last Name	Walton	
Title	CCUO Chair		Date	6-13-2013	Title	CPPC Chair	
Signature	<i>Anthony A Cole</i>		Signature	<i>Tameka Walton</i>			

CHICAGO DEPARTMENT OF FAMILY & SUPPORT SERVICES

DELEGATE AGENCY NAME: CHICAGO DEPARTMENT OF FAMILY & SUPPORT SERVICES

START DATE: 12/1/2012 ENDING DATE: 11/30/2013

GRANT PERIOD:

START DATE: 12/1/2012 ENDING DATE: 11/30/2013

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Federal Catalog # (b)	Estimated Un-obligated Funds		Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
HEAD START	93-600			\$ 113,546,381	\$ 28,386,595.25	\$ 141,932,976
Totals				\$ 113,546,381	\$ 28,386,595	\$ 141,932,976

SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY					TOTAL
	PA4122	PA4120	T/TA			
A. Personnel	\$ 6,000,000					\$ 6,000,000
B. Fringe benefits	\$ 2,296,200					\$ 2,296,200
C. Out-of-Town Travel	\$ 10,000					\$ 10,000
D. Equipment						
E. Supplies	\$ 300,000					\$ 300,000
F. Contractual	\$ 100,954,698	\$ 1,188,692				\$ 102,143,390
G. Construction						
H. Other	\$ 250,000					\$ 250,000
I. Total Direct Charges	\$ 109,810,898	\$ 1,188,692				\$ 110,999,590
J. Indirect Charges	\$ 2,492,587	\$ 54,204				\$ 2,546,791
K. Totals	\$ 112,303,485	\$ 1,242,896				\$ 113,546,381

7. Program Income	

CHICAGO DEPARTMENT OF FAMILY & SUPPORT SERVICES

DELEGATE AGENCY NAME: CHICAGO DEPARTMENT OF FAMILY & SUPPORT SERVICES

START DATE: 12/1/2012 ENDING DATE: 11/30/2013

GRANT PERIOD:

START DATE: 12/1/2012 ENDING DATE: 11/30/2013

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Federal Catalog # (b)	Estimated Un-obligated Funds		Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
EARLY HEAD START	93.600			\$ 6,099,457	\$ 1,524,864	\$ 7,624,321
Totals				\$ 6,099,457	\$ 1,524,864	\$ 7,624,321

SECTION B - BUDGET CATEGORIES					
6. Object Class Categories	PA4125	GRANT PROGRAM, FUNCTION OR ACTIVITY		TOTAL	
		PA4121	T/TA		
A. Personnel	\$ 345,183			\$ 345,183	
B. Fringe benefits	\$ 132,102			\$ 132,102	
C. Out-of-Town Travel	\$ 1,000			\$ 1,000	
D. Equipment					
E. Supplies	\$ 20,000			\$ 20,000	
F. Contractual	\$ 5,264,911	\$ 149,991		\$ 5,414,902	
G. Construction					
H. Other	\$ 50,000			\$ 50,000	
I. Total Direct Charges	\$ 5,813,196	\$ 149,991		\$ 5,963,187	
J. Indirect Charges	\$ 129,430	\$ 6,840		\$ 136,270	
K. Totals	\$ 5,942,626	\$ 156,831		\$ 6,099,457	

SECTION C - BUDGET CATEGORIES					
7. Program Income	PA4125	GRANT PROGRAM, FUNCTION OR ACTIVITY		TOTAL	
		PA4121	T/TA		


SEQUESTRATION PLAN

The Chicago Department of Family and Support Services (DFSS) will implement a sequestration cut in its Fiscal Year 2013 Head Start and Early Head Start (Head Start) budget in the following manner, resulting in a reduced funding amount of \$119,645,838:

- **Personnel:** Reduction of five central office staff positions through retirement and vacancies in the amount of \$500,200.
- **Fringe Benefits:** Reduction in fringe benefits in the amount of \$162,194.
- **Out-of-Town Travel:** Reduction in out of town travel in the amount of \$10,500.
- **Supplies:** Reduction in supplies in the amount of \$58,866.
- **Contractual:** Reduction in the award amount for delegate agencies and supportive services in the amount of \$3,036,786.
- **Other:** Increase in other cost category in the amount of \$12,042.
- **Indirect Costs:** Reduction in City's indirect costs in the amount of \$2,821,739.
- **Total Reductions:** Reductions summary amount will be \$6,578,243.

There will be no loss of services in either Head Start or Early Head Slots. If there are any unspent funds from the operation-direct costs categories, we will charge indirect cost up to 4.56%.

DFSS anticipates implementing a similar plan for Fiscal Year 2014.

 Office of Head Start / Head Start Enterprise System
05CH0101

05CH0101 CITY OF CHICAGO

Financials
Sequestration

These amounts represent the full 12-month funding level available to your agency or the service area.
TA amounts were not reduced due to sequestration.

Fiscal Year 2013 Funding Amount	
Your Funding Begin Month is:	December
2013 Reduced Base Award Amount:	\$118,246,111
2013 TA Award Amount:	\$1,399,727
2013 Reduced Total Award Amount:	\$119,645,838

The final fiscal year (FY) 2013 funding level for Head Start was issued on April 26, 2013. See [ACF-PI-HS-13-03](#).

As you make the program alterations necessary to operate at the reduced levels, please keep the following principles in mind:

- **Maintain high quality, comprehensive services** to children and families and ensure their health and safety.
- **Minimize disruptions** to currently enrolled children for this program year.
- **Keep families and staff well informed** as you determine program and budget changes necessary to absorb the cuts in the 2012-13 program year and the 2013-14 program year. The OHS expects that many programs will need to make enrollment and workforce reductions to maintain comprehensive services, particularly in the upcoming year.

Instructions

Complete this form to:

Open  [Sequestration Guide](#)

- Report on the impacts of sequestration
- Request fiscal and program service adjustment approvals
- Request waivers

2012-13 program year

OHS understands that impacts for the current 2012-13 program year may be more certain at this time than impacts for the upcoming 2013-14 program year, and may affect grantees funded early in the fiscal year more substantially than grantees funded later.

2013-14 program year

Please submit PROJECTED changes for the 2013-14 program year. Should changes be necessary after submission, you may request opening the screen for edits by contacting your Regional Office and copying the HSES Help Desk.

Fiscal Year 2013 - application not yet submitted

If you have funding begin dates of late summer or early fall and have not yet submitted your FY2013 funding application, complete the screens to allow OHS to manage and expedite your sequestration-related impact decisions. You will submit your funding application as you normally do based on amounts available at the time you are working to develop the package.

FY 2013 Funding Level Adjustments

Are you proposing an equal funding reduction for Head Start and Early Head Start? Yes No

Programs are not required to take equal cuts across both programs. See Head Start Sequestration Frequently Asked Questions.

- Grantees who have already submitted their annual refunding applications are not required to submit a revised SF-424 and SF-424A.

Grantees must submit a  SF-424 and  SF-424A if the dollar amount of transfers among all line items for the reduced total approved budget exceeds either \$250,000 or 25% of the full budget, which includes federal and non-federal amounts.

Grantees requesting fiscal compliance waivers such as nonfederal share or administrative cost should follow normal procedures. Contact your Regional Office for details.

2012-13 Program Service Adjustments

Center-based, family child care, and locally designed program option service reductions

Home-based, combination, and locally designed program option service reductions

Program option and/or program option variation change

Compliance waiver authority is requested

Reduction in Funded Enrollment for 2012-13 program year

Other staff effects

- Indicate the types of staff positions affected. Describe, for example, layoffs, furloughs, vacancies that will not be filled, and reductions in the hours of employment.

Please see attached sequestration plan

(4000 characters limit)

Other sequestration effects

- Indicate other service delivery and funding changes. Describe, for example, increases or decreases in state or other funds, and other service effects.

Please see attached sequestration plan

(4000 characters limit)

2013-14 PROJECTED Program Service Adjustments

Reduction in Funded Enrollment for 2013-14 program year

Center-based, family child care, and locally designed program option service reductions

Home-based, combination, and locally designed program option service reductions

Program option and/or program option variation change

Compliance waiver authority is requested

Other staff effects

- Indicate the types of staff positions affected. Describe, for example, layoffs, furloughs, vacancies that will not be filled, and reductions in the hours of employment.

Please see attached sequestration plan

(4000 characters limit)

Other sequestration effects

- Indicate other service delivery and funding changes. Describe, for example, increases or decreases in state or other funds, and other service effects.

Please see attached sequestration plan

(4000 characters limit)

Documents

Name	Upload Date	User	
SEQUESTRATION NARRATIVE FINAL.pdf	06/14/13	05CH0101-000	delete
SF424 sequestration_signed.pdf	06/14/13	05CH0101-000	delete
SF424A_HS_EHS_SEQUESTRATION.pdf	06/14/13	05CH0101-000	delete
Add Document			

Sign and Submit Adjustments

To sign and submit, you must be logged into HSES using your individual user account (where the Login ID is your email address).

If you do not have an individual user account, or your account does not have Financials tab access, please coordinate with your grant's User Account Administrator(s).

The Administrators are listed in the HSES Contacts tab.

Should there be questions regarding your submissions, your Regional Office will contact you.

OHS approval for program service adjustments and/or service-related waiver requests will be granted through this form.

Status of approval for your program service adjustments and/or service-related waiver requests: **Started**

Updated by 05CH0101-000 on 06/14/2013 06:07:01 PM, EST

**COMMUNITY SERVICES AGREEMENT
BETWEEN**



**THE DEPARTMENT OF HUMAN SERVICES
AND
CHICAGO CITY OF
FOR FISCAL YEAR 2014**

The Illinois Department of Human Services (DHS), with its principal office at 100 South Grand Avenue East, Springfield, IL 62762, and CHICAGO CITY OF (Provider), with its principal office at 333 S State St Chicago, IL 60604-3900 and payment address (if different than principal office) at _____, hereby enter into this Community Services Agreement ("Agreement"). DHS and Provider are collectively referred to herein as "Parties" or individually as a "Party".

RECITALS

WHEREAS, it is the intent of the Parties to implement services consistent with all Exhibits hereto and pursuant to the duties and responsibilities imposed by DHS under the laws of the State of Illinois and in accordance with the terms, conditions and provisions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the value, receipt and sufficiency of which are acknowledged, the Parties hereto agree as follows:

**ARTICLE I
TAXPAYER CERTIFICATION**

1.1. Federal Taxpayer Identification Number; Nature of Entity. Under penalties of perjury, Provider certifies that 36-6005820 is Provider's correct Federal Taxpayer Identification Number or Social Security Number (check one). Provider is doing business as a (please check one):

- | | |
|--|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Nonresident Alien |
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery Corp. |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Tax Exempt |
| <input type="checkbox"/> Corporation (includes Not For Profit) | <input type="checkbox"/> Limited Liability Company (select |
| <input type="checkbox"/> Medical Corporation | applicable tax classification) |
| <input checked="" type="checkbox"/> Governmental Unit | <input type="checkbox"/> D = disregarded entity |
| <input type="checkbox"/> Estate or Trust | <input type="checkbox"/> C = corporation |
| <input type="checkbox"/> Pharmacy-Non Corporate | <input type="checkbox"/> P = partnership |

1.2. Estimated Amount of Agreement. The estimated amount payable by DHS to Provider under this Agreement is \$26,000,000.00. Provider agrees to accept DHS' payment for services rendered as specified in the Exhibits Incorporated as part of this Agreement.

1.3. Term. This Agreement shall be effective on Jul 1, 2013, and shall expire on Jun 30, 2014, unless terminated or extended pursuant to the terms hereof.

1.4. Certification. Provider certifies under oath that (1) all representations made in this Agreement are true and correct and (2) all funds awarded pursuant to this Agreement shall be used only for the purpose(s) described herein. Provider acknowledges that the award is made solely upon this certification and that any false statements, misrepresentations or material omissions shall be the basis for immediate termination of this Agreement.

1.5. Signatures. In witness whereof, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

ILLINOIS DEPARTMENT OF HUMAN SERVICES

CHICAGO CITY OF

By: Michelle R.B. Saddler 20
Michelle R.B. Saddler
Secretary

By: Evelyn Diaz
Signature of Authorized Representative

By: M. Hill
Signature of Designee

Date: JUL 01 2013

Date: 6/26/13

Printed Name: M. Hill

Printed Name: Evelyn Diaz

Printed Title: Contract Obligation Analyst
Designee

Printed Title: Commissioner, Department of Family
and Support Services

E-mail: evelyn.diaz@cityofchicago.org

FEIN: 36-6005820

Agreement #: FCSS100434

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

**ARTICLE II
REQUIRED REGISTRATIONS**

2.1. Standing and Authority. Provider warrants that:

(a) Provider is duly organized, validly existing and in good standing under the laws of the State in which it was incorporated or organized.

(b) Provider has the requisite power and authority to execute and deliver this Agreement and all documents to be executed by it in connection with this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(c) If Provider is organized under the laws of another jurisdiction, Provider warrants that it is duly qualified to do business in Illinois and is in good standing with the Illinois Secretary of State.

(d) The execution and delivery of this Agreement and the other documents to be executed by Provider in connection with this Agreement, and the performance by Provider of its obligations hereunder, have been duly authorized by all necessary entity action.

(e) This Agreement and such documents to which Provider is a party constitute the legal, valid and binding obligations of Provider enforceable against Provider in accordance with their respective terms except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights generally or general principles of equity.

2.2. Compliance with Internal Revenue Code. Provider certifies that it does and will comply with all provisions of the Federal Internal Revenue Code, the Illinois Revenue Act, and all rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

2.3. Compliance with Federal Funding Accountability and Transparency Act of 2006. Provider certifies that it does and will comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282) (FFATA) with respect to Federal grants greater than or equal to \$25,000. A FFATA sub-award report must be filed by the end of the month following the month in which the grant was awarded.

2.4. DUNS Number. Execution of this Agreement by DHS shall be contingent upon Provider's provision to DHS of a Data Universal Number System (DUNS) number (FAR 52.204-7).

2.5. Compliance with American Recovery and Reinvestment Act (ARRA). If the Program is funded using ARRA funds, Provider will be notified in an Exhibit or Attachment hereto.

**ARTICLE III
DEFINITIONS**

3.1. Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

"Administrative Costs" means those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective, *i.e.*, a particular Award, Program, Program,

service, or other direct activity of an organization. A cost may not be allocated to an Award as an Indirect Cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a Direct Cost. Provider is responsible for presenting costs consistently and must not include costs associated with its Indirect Cost Rate as Direct Costs. The term "Administrative Costs" is synonymous with the term "Indirect Costs." See, e.g., U.S. Department of Health and Human Services Grants Policy Statement, January 1, 2007, at II-26.

"Agreement" means this Agreement, and any addendum, schedules and exhibits thereto, all as amended from time to time. Words such as "herein," "hereinafter," "hereof," "hereto," and "hereunder" refer to this Agreement as a whole, unless the context otherwise requires.

"Allocable Costs" means costs allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Costs allocable to a specific Program may not be shifted to other Programs in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by the terms of this Agreement, or for other reasons of convenience.

"Allowable Costs" means costs associated with DHS Programs which are reimbursable from DHS funds. Allowable Costs include expenses that are (1) necessary and related to the provision of Program services, (2) reasonable to the extent that a given cost is consistent with the amount paid by similar agencies for similar services, (3) not specified as unallowable, and (4) not illegal. Research expenses may be considered Allowable Costs if Prior Approval is received from DHS. (89 Ill. Adm. Code §509.20(a))

"ARRA" means the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).

"Award" means financial assistance that provides support to accomplish the purpose of this Agreement. Awards include grants and other agreements in the form of money by DHS to Provider.

"CFDA" means the Catalog of Federal Domestic Assistance, a government-wide compendium of Federal programs, projects, services and activities that provide assistance or benefits to the American public.

"Consolidated Financial Report" means a financial information presentation in which the assets, equity, liabilities, and operating accounts of an entity and its subsidiaries are combined (after eliminating all inter-entity transactions) and shown as belonging to a single reporting entity.

"Cost Allocation Plan" means a document that identifies, accumulates and distributes allowable direct and indirect costs under subgrants and contract and identifies the allocation methods used for distributing the costs. A plan for allocating joint costs is required to support the distribution of those costs to the grant program. All costs included in the plan must be supported by formal accounting records to substantiate the propriety of the eventual charges. Providers are required to maintain a Cost Allocation Plan, in accordance with Ill. Adm. Code §509.40(c), if they receive more than one source of funding or operate more than one Program. (89 Ill. Adm. Code §509.20(a)(2))

"Direct Costs" means those costs that can be identified specifically with a particular final cost objective, i.e., a particular Award, Program, service, or other direct activity of an organization, or that can be directly assigned to such an activity with a high degree of accuracy. Direct costs may be charged based on a full-time equivalent or pro-rated basis. A cost may not be assigned to an Award as a Direct Cost if any other cost incurred for the same purpose, in like circumstance, has been allocated to an Award as an Indirect Cost. Provider is responsible for presenting costs consistently and must not include costs associated with its Indirect Cost Rate as Direct Costs.

"Disallowed Costs" means those charges to an award that DHS determines to be Unallowable Costs.

"DUNS Number" means a unique nine digit identification number provided by Dun & Bradstreet for each physical location of Provider's organization. Assignment of a DUNS Number is mandatory for all organizations required to register with the Federal government for contracts or grants.

"Fee-for-Service" means a Program for which the payments are made on the basis of a rate, unit cost or allowable cost incurred and are based on a statement or bill as required by DHS. (89 Ill. Adm. Code §509.15) Services provided on a Fee-for-Service basis are Medicaid-related.

"FFATA" means Federal Funding Accountability and Transparency Act of 2006 (P. L. 109-282).

"Fixed-Rate" means a Program for which the payments for non-Medicaid services are made on the basis of a rate, unit cost or allowable cost incurred and are based on a statement or bill as required by DHS. Fixed-Rate payments are subject to all Federal administrative regulations and requirements including, but not limited to, OMB Circular A-102, OMB Circular A-100, OMB Circular A-133, and are subject to all applicable cost principles, including OMB Circular A-21, OMB Circular A-87 and OMB Circular A-122. Fixed-Rate services are non-Medicaid services. A Fixed-Rate agreement, in common terminology, is a non-Medicaid fee-for-service agreement.

"GAAP" means Generally Accepted Accounting Principles.

"Grant" means any assistance, whether financial or otherwise, furnished by DHS to a person or entity for obligation, expenditure, or use by Provider for a specific purpose(s) as authorized by law. This does not include advance payments made under the authority of Paragraph 9.05 of the State Finance Act, 30 ILCS 105/9.05.

"Indirect Costs" means those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective, *i.e.*, a particular Award, Program, service, or other direct activity of an organization. A cost may not be allocated to an award as an Indirect Cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a Direct Cost. Provider is responsible for presenting costs consistently and must not include costs associated with its Indirect Cost Rate as Direct Costs. The term "Indirect Costs" is synonymous with the term "Administrative Costs." See, *e.g.*, U.S. Department of Health and Human Services Grants Policy Statement, January 1, 2007, at II-26.

"Indirect Cost Rate" means is a device for determining in a reasonable manner the proportion of indirect costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, DHS will not reimburse those Indirect Costs unless Provider has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate. If Provider has a current, applicable rate negotiated by a cognizant Federal agency, Provider shall provide to DHS a copy of its Indirect Cost Rate proposal and the acceptance letter from the Federal government. If Provider does not have a current, applicable rate negotiated by a cognizant Federal agency, DHS shall be responsible for establishing an Indirect Cost Rate for Provider.

"Indirect Cost Rate Proposal" means the documentation prepared by Provider to substantiate its request for the establishment of an Indirect Cost Rate.

"Net Revenue" means an entity's total revenue less its operating expenses, interest paid, depreciation, and taxes. "Net Revenue" is synonymous with "Profit."

"OMB" means the Executive Office of the President of the United States, Office of Management and Budget.

"OMB Circular" means instructions or information issued by the President's Office of Management and Budget ("OMB") to Federal agencies.

"Prior Approval" means written approval by an authorized member of DHS management evidencing prior consent.

"Profit" means an entity's total revenue less its operating expenses, interest paid, depreciation, and taxes. "Profit" is synonymous with "Net Revenue."

"Program" means the services to be provided pursuant to this Agreement.

"Program Costs" means all Allowable Costs incurred by Provider and the value of the contributions made by third parties in accomplishing the objectives of the Award during the Term of this Agreement.

"Program Income" means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the Award. Interest earned on advances of Federal funds under this Agreement is not Program Income.

"Related Parties" has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-50.

"State" means the State of Illinois.

"Term" has the meaning set forth in Paragraph 1.3.

"Unallowable Costs" means expenses which, pursuant to DHS rules or policies or Federal regulations, are not reimbursable from DHS funds, unless Prior Approval is received from DHS. Specific Unallowable Costs are set forth in 89 Ill. Adm. Code §509.20(b).

ARTICLE IV PAYMENT

4.1. Availability of Appropriation. Obligations of the State will cease immediately without penalty or further payment being required if, in any fiscal year, the Illinois General Assembly or Federal funding source fails to appropriate or otherwise make available sufficient funds for this Agreement, or if the Governor decreases DHS' funding by reserving some or all of DHS' appropriations pursuant to power delegated to the Governor by the Illinois General Assembly. DHS shall notify Provider of such funding failure.

4.2. Illinois Grant Funds Recovery Act. If the funds awarded are subject to the provisions of the Illinois Grant Funds Recovery Act (30 ILCS 705/1 *et seq.*), any funds remaining at the end of the Agreement period which are not expended or legally obligated by Provider shall be returned to DHS within forty-five (45) days after the expiration of this Agreement. The provisions of 89 Ill. Adm. Code §511 shall apply to any funds awarded that are subject to the Illinois Grant Funds Recovery Act.

4.3. Cash Management Improvement Act of 1990. If applicable, Federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvement Act of 1990 (31 U.S.C. §6501 *et seq.*) and any other applicable Federal laws or regulations. Programs to which this applies will be listed in the applicable Program Manual and on DHS' website.

4.4. Payments to Third Parties. Provider agrees to hold harmless DHS when DHS acts in good faith to redirect all or a portion of any Provider payment to a third party. DHS will be deemed to have acted in good faith if it is in possession of information that indicates Provider authorized DHS to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

4.5. Modifications to Estimated Amount. The Agreement amount is established on an estimated basis and may be increased at any time during the term. DHS may decrease the estimated amount of this Agreement at any time during the term if DHS believes Grantee will not use the funds during the term, or has used funds in a manner that was not authorized by this Agreement, or if the Governor decreases DHS' funding by reversing some or all of DHS' appropriations pursuant to power delegated to the Governor by the Illinois General Assembly or based on actual or projected budgetary considerations. Provider will be notified, in writing, of any adjustment, and reason for the adjustment, of the estimated amount of this Agreement. In the event of such reduction, services provided by Provider under **Exhibit A** may be reduced accordingly. Provider shall be paid for work satisfactorily performed prior to the date of the notice regarding adjustment.

4.6. Interest.

(a) This Paragraph 4.6 does not apply to Fee-for-Service payments or to providers who are not subject to the terms of the Cash Management Improvement Act (31 U.S.C. §6501 *et seq.*).

(b) Federal pass-through grant funds disbursed under this Agreement and held for over five (5) days by Provider shall be placed, when possible, in an interest-bearing account. All interest earned shall be considered grant funds and are subject to the same restrictions. A Provider, which receives such funds, is subject to the requirements of the Cash Management Improvement Act (31 CFR 205 Subpart B) and shall meet all record-keeping requirements. If Provider does not comply with these requirements, Provider will be subject to the interest penalties described in Subpart A of the Cash Management Improvement Act. Any exceptions to this requirement must be approved, in writing, by DHS.

(c) The provisions of the Illinois Grant Funds Recovery Act, 30 ILCS 705/1 *et seq.*, shall apply to any grant funds, except Fixed Rate, received by Provider under this Agreement. The period of time during which grant funds may be expended by Provider is the Term of this Agreement as set forth in Paragraph 1.3.

4.7. Timely Billing Required. This Paragraph 4.7 does not apply to Fee-for-Service payments. For all non-recurring Federal funding, such as one-time grants and ARRA funding, Provider must submit any bills to DHS within thirty (30) days of the end of the quarter. Failure to submit such bills within thirty (30) days will render the amounts billed an unallowable cost which DHS cannot reimburse. In the event that Provider is unable, for good cause, to submit its bills within thirty (30) days of the end of the quarter, Provider shall so notify DHS within that thirty (30) day period and may request an extension of time to submit the bills. DHS' approval of Provider's request for an extension shall not be unreasonably withheld.

4.8. Certification. Each invoice submitted by Provider must contain the following certification:

Provider certifies that the amounts shown on this invoice (1) are true and correct, (2) have not been falsified, inflated or otherwise improperly represented, (3) have been used only for the purposes set forth in the Community Services Agreement between Provider and DHS, (4) are allowable in accordance with State and Federal laws and regulations, and (5) have not

been submitted for payment to any other State agency or entity.

ARTICLE V
SCOPE OF SERVICES/PURPOSE OF GRANT

5.1. Services to be Provided/Purpose of Grant. Provider will provide the services as described in the applicable Program Manual and Exhibits, including Exhibit A (Scope of Services) and Exhibit B (Deliverables), incorporated herein and in accordance with all terms and conditions set forth herein and all applicable administrative rules. All programmatic reporting required under this Agreement is described in the attached Exhibits and applicable Program Manual.

5.2. Special Provisions. None.

ARTICLE VI
BUDGET

6.1. Exemptions. Fee-for-Service payments are exempt from the budget provisions of this ARTICLE VI. Unless notified in the Exhibits or the Program Attachment to this Agreement, Fixed-Rate payments are exempt from the budget provisions of this ARTICLE VI.

6.2. Submission of Proposed Budget. Within thirty (30) days of execution of this Agreement, Provider shall submit to DHS' Office of Contract Administration, 222 South College Avenue, Springfield, Illinois, 62704, a summary of Provider's budget prepared in accordance with the summary template provided by DHS. Provider may, but is not required to, submit a detailed budget.

6.3. Payment Contingency. Payment to Provider is contingent upon DHS' receipt and approval of Provider's proposed budget. Provider will be paid for reasonable services provided prior to DHS' approval of Provider's budget.

6.4. Budget Approval. A decision indicating approval or disapproval of the proposed budget shall be made by DHS within sixty (60) business days after submission by Provider.

6.5. Preparation of Budget. Provider's budget must be prepared in accordance with the template provided by DHS, which follows and adheres to all applicable Federal guidelines. DHS' policy requires that all Providers follow Federal regulations for Federal funding as set forth in Paragraph 7.11.

6.6. Budget Revisions. The budget is a schedule of anticipated grant expenditures that is approved by DHS for carrying out the purposes of the Grant. When Provider or third parties support a portion of expenses associated with the Award, the budget includes the non-Federal as well as the Federal share of grant expenses. Provider shall obtain Prior Approval from DHS whenever a budget revision is necessary because of:

- (a) the transfer to a third party (by subgranting, contracting or other means) of any work under the Grant;
- (b) the transfer of funds from other budget detail line items greater than ten percent (10%) of the line item; or
- (c) changes in the scope of services or objectives of the Grant.

6.7. Revision Approvals. All requests for budget revisions shall be signed by Provider's grant administrator and submitted to DHS' Office of Contract Administration for approval by DHS management.

6.8. Notification. Within thirty (30) calendar days from the date of receipt of the request for budget revisions, DHS will review the request and notify Provider whether or not the budget revision has been approved.

ARTICLE VII ALLOWABLE COSTS

7.1. Allowability of Costs; Cost Allocation Methods. The allowability of costs and cost allocation methods for work performed under Grants, Fee-for-Service and Fixed-Rate shall be determined in accordance with the applicable Federal cost principles and the terms and conditions of the award. However, DHS delegates to Provider the authority to approve costs that the applicable cost principles state are allowable only with the prior approval of the funding agency, unless specifically prohibited by other articles in these general provisions, or by the terms and conditions of the award. Examples of such costs are foreign travel; equipment purchases; and publication and printing costs. This delegation does not relieve Provider of the responsibility to document that such charges are reasonable, necessary and allocable to the Program.

7.2. Indirect Cost Rate Proposal Submission.

(a) This Paragraph 7.2 applies only to:

- (i) Providers who charge, or expect to charge, any indirect costs; and
- (ii) Providers who are allowed to charge indirect costs under federal or state statutes, state administrative rules, and agency or program rules, regulations and policies.

(b) Providers who receive \$250,000 or more in funding from the State of Illinois, including all Departments or Agencies thereof, and whether state or federal funds, must submit an Indirect Cost Rate Proposal in accordance with federal regulations for approval no later than 60 days after their submission of audited financial statements, in a format prescribed by DHS (for example, if audited financial statements are submitted August 2014, then the Indirect Cost Rate Proposal must be submitted in October 2014).

(c) Providers who have had an Indirect Cost Rate Proposal approved by a cognizant Federal agency must submit an Indirect Cost Rate Proposal, but DHS will accept that Proposal, up to any statutory, rule-based or programmatic limit.

7.3. Transfer of Costs. Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. See U.S. Department of Health and Human Services Grants Policy Statement, January 1, 2007, at II-43; OMB Circular A-122, 2 CFR Part 230, Appendix A at A.4.b.

7.4. OMB Circular A-21. The Federal cost principles that apply to public and private institutions of higher education are set forth in OMB Circular A-21 (relocated to 2 CFR Part 220).

7.5. OMB Circular A-122. The Federal cost principles that apply to nonprofit organizations that are not institutions of higher education are set forth in OMB Circular A-122 (relocated to 2 CFR Part 230).

7.6. OMB Circular A-87. The Federal cost principles that apply to State, local and Federally-recognized Indian tribal governments are set forth in OMB Circular A-87 (relocated to 2 CFR Part 225).

7.7. 48 CFR Part 31. The Federal cost principles and procedures for cost analysis and the determination, negotiation and allowance of costs that apply to commercial organizations are set forth in 48 CFR Part 31.

7.8. Changes in Scope of Services. Any Program that is carried out must be consistent with the scope of services. No changes may be made to the scope of services without Prior Approval from DHS. All requests for a change in the scope of services shall be signed by Provider's grant administrator and submitted to DHS' Office of Contract Administration for approval by DHS management.

7.9. Changes in Key Grant Personnel. When it is specifically required as a condition of a Grant, the replacement of the Program director or the co-director or a substantial reduction in the level of their effort, *e.g.*, their unanticipated absence for more than three (3) months, or a twenty-five percent (25%) reduction in the time devoted to the Program, requires Prior Approval from DHS. When it is specifically required as a condition of a Grant, Prior Approval will be required for the replacement or the substantial reduction in the level of effort of other personnel whose work is deemed by DHS to be critical to the Program's successful completion. All requests for approval of changes in key Program personnel shall be signed by Provider's grant administrator and submitted to the appropriate DHS program officer. Evidence of the qualifications for replacement personnel (such as a *résumé*) shall be included.

7.10. Financial Management Standards. The financial management systems of Provider must meet the following standards:

(a) **Accounting System.** Provider organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each State- and Federally-sponsored Program. Accounting records must contain information pertaining to State and Federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other grant funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger.

(b) **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the grant and general ledger accounts which are to be charged or credited.

(1) The documentation required for salary charges to grants is prescribed by the cost principles applicable to the entity's organization (*see* Title XX Social Services).

(2) For Providers subject to OMB Circular A-21 (educational institutions), documentation for salary charges shall either (i) use a payroll distribution based on one of the three methods listed in Section J(10)(c) of OMB Circular A-21 or, alternatively, (ii) with DHS Prior Approval, use a payroll distribution that meets the criteria specified in Section J(10)(b)(2) of OMB Circular A-21.

(3) For Providers subject to OMB Circular A-122 (nonprofit organizations), documentation for all salary charges shall be based on a system of personnel activity reports.

(4) For Providers subject to OMB Circular A-87 (State and local governments), documentation for salary charges shall be based on a system of personnel activity reports unless an employee is working solely on a single Federal award. In such case, the charge for salary will be supported by a certification signed by the employee or the employee's supervisor.

(5) Personnel activity reports shall account on an after-the-fact basis for one hundred percent (100%) of the employee's actual time, separately indicating the time spent on the grant, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records should be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.

(6) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs which are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of Provider.

(7) If third party in-kind (non-cash) contributions are used on a Program, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control.** Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Provider must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Provider must also have systems in place that ensure compliance with the terms and conditions of each grant award.

(d) **Budget Control.** Records of expenditures must be maintained for each Grant Program by the cost categories of the approved budget (including indirect costs that are charged to the Program), and actual expenditures are to be compared with budgeted amounts no less frequently than quarterly.

(e) **Cash Management.** Provider must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant funds to avoid having excess Federal funds on hand. Requests for advance payment shall be limited to Provider's immediate cash needs and are not to exceed anticipated expenditures for a three- (3) to five- (5) day period.

7.11. **Federal Requirements.** State Grants and State funds are subject to Federal requirements and regulations, including but not limited to the applicable OMB Circulars and financial management standards, unless an exemption has been granted and is cited in Paragraph 5.2 of this Agreement.

7.12. **Profits.** It is not permitted for any person or entity to earn a Profit from a Grant, including Fixed Rate Grants. *See, e.g.,* U.S. Department of Health and Human Services Grants Policy Statement, January 1, 2007, at II-29; 45 CFR §92.22.

7.13. **Management of Program Income.** Federal rules govern Program Income for federally-funded Grants (2 CFR §215.24). State-funded Grants shall comply with those same requirements.

**ARTICLE VIII
ADMINISTRATIVE REQUIREMENTS**

8.1. Administrative Requirements. Provider must meet the following administrative requirements with respect to Federal pass-through Grants:

(a) OMB Circular A-110. The uniform administrative requirements for Grants and other agreements with institutions of higher education, hospitals and other non-profit organizations are set forth in OMB Circular A-110 (relocated to 2 CFR Part 215).

(b) OMB Circular A-102. The uniform administrative requirements for the management of grants and cooperative agreements with State, local and Federally-recognized Indian tribal governments are set forth in OMB Circular A-102.

(c) Equipment. Provider must comply with the uniform standards set forth in 2 CFR §§215.31-215.37 governing the management and disposition of property furnished by the Federal government whose cost was charged to a Program supported by a Federal Award. Any waiver from such compliance must be granted by the President's Office of Management and Budget and must be set forth in Paragraph 5.2 of this Agreement.

(d) Procurement Standards. Provider must comply with the standards set forth in 2 CFR §§215.40-215.48 for use by recipients in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal and State statutes and executive orders.

8.2. Audits. Provider must meet the following audit requirements with respect to Federal pass-through grants:

(a) Institutions of higher education and other non-profit organizations (including hospitals) shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. §§7501-7507) and revised OMB Circular A-133 ("Audits of States, Local Governments and Non-Profit Organizations").

(b) State and local governments shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. §§7501-7507) and revised OMB Circular A-133 ("Audits of States, Local Governments and Non-Profit Organizations").

(c) For-profit hospitals not covered by the audit provisions of revised OMB Circular A-133 shall be subject to the audit requirements of the Federal awarding agency.

(d) Commercial organizations shall be subject to the audit requirements of the Federal awarding agency or the prime recipient as incorporated in the award document.

**ARTICLE IX
REQUIRED CERTIFICATIONS**

9.1. Certifications. Provider shall be responsible for compliance with the enumerated certifications to the extent that the certifications legally apply to Provider.

- (a) **Bribery.** Provider certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor made an admission of guilt of such conduct which is a matter of record (30 ILCS 500/50-5).
- (b) **Bid Rigging.** Provider certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).
- (c) **Educational Loan.** Provider certifies that it is not barred from receiving State agreements as a result of default on an educational loan (5 ILCS 385/1 *et seq.*).
- (d) **International Boycott.** Provider certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provision of the U.S. Export Administration Act of 1979 (50 U.S.C. Appx. 2401 *et seq.* or the regulations of the U.S Department of Commerce promulgated under that Act (15 CFR Parts 730 through 774).
- (e) **Dues and Fees.** Provider certifies that it is not prohibited from selling goods or services to the State of Illinois because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses them for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/1, 25/2).
- (f) **Drug-Free Work Place.** Provider certifies that neither it nor its employees shall engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the performance of this Agreement and that Provider is in compliance with all the provisions of the Illinois Drug-Free Workplace Act (30 ILCS 580/3 and 580/4). Provider further certifies that it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 45 CFR Part 82.
- (g) **Motor Voter Law.** Provider certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (42 U.S.C. §1973gg *et seq.*).
- (h) **Clean Air Act and Clean Water Act.** Provider certifies that it is in compliance with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 U.S.C. §7401 *et seq.*) and the Federal Water Pollution Control Act, as amended (33 U.S.C. §1251 *et seq.*)
- (i) **Debarment.** Provider certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any Federal department or agency (45 CFR Part 76).
- (j) **Pro-Children Act.** Provider certifies that it is in compliance with the Pro-Children Act of 1994 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), which services are supported by Federal or State government assistance (except such portions of the facilities which are used for inpatient substance abuse treatment) (20 U.S.C. §6081 *et seq.*).
- (k) **Debt to State.** Provider certifies that neither it, nor its affiliate(s), is/are barred from being awarded a contract because Provider, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Provider, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt, and Provider acknowledges DHS may declare the contract void if the certification is false (30

ILCS 500/50-11).

(l) **Grant for the Construction of Fixed Works.** Provider certifies that all Programs for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) unless the provisions of that Act exempt its application. In the construction of the Program, Provider shall comply with the requirements of the Prevailing Wage Act including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the Program shall be paid to all laborers, workers, and mechanics performing work under the contract and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.

(m) **Health Insurance Portability and Accountability Act.** Provider certifies that it is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law No. 104-191, 45 CFR Parts 160, 162 and 164, and the Social Security Act, 42 U.S.C. §§1320d-2 through 1320d-7, in that it may not use or disclose protected health information other than as permitted or required by law and agrees to use appropriate safeguards to prevent use or disclosure of the protected health information. Provider shall maintain, for a minimum of six (6) years, all protected health information.

(n) **Sarbanes-Oxley Act.** Provider certifies that neither it nor any officer, director, partner or other managerial agent of Provider has been convicted of a felony under the Sarbanes-Oxley Act of 2002, nor a Class 3 or Class 2 felony under Illinois Securities Law of 1953, or that at least five (5) years have passed since the date of the conviction. Provider further certifies that it is not barred from being awarded a contract under 30 ILCS 500/50-10.5, and acknowledges that DHS shall declare the contract void if this certification is false (30 ILCS 500/50-10.5).

(o) **Forced Labor Act.** Provider certifies that it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (PA 93-0307).

(p) **Illinois Use Tax.** Provider certifies in accordance with 30 ILCS 500/50-12 that it is not barred from being awarded a contract under this Paragraph. Provider acknowledges that this Agreement may be declared void if this certification is false.

(q) **Environmental Protection Act Violations.** Provider certifies in accordance with 30 ILCS 500/50-14 that it is not barred from being awarded a contract under this Paragraph. Provider acknowledges that this Agreement may be declared void if this certification is false.

(r) **Goods from Child Labor Act.** Provider certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been produced in whole or in part by the labor of any child under the age of twelve (12) (PA 94-0264).

(s) **Abuse of Adults with Disabilities Intervention Act.** Provider certifies that it is in compliance with the Abuse of Adults with Disabilities Intervention Act to protect people with disabilities who are abused, neglected or financially exploited and who, because of their disability, cannot seek assistance on their own behalf. Anyone who believes a person with a disability living in a domestic setting is being abused, neglected or financially exploited must file a complaint with the Office of Inspector General, Department of Human Services. Provider has an obligation to report suspected fraud or

irregularities committed by individuals or other entities with whom it interacts on DHS' behalf and should make a report to the appropriate program office (20 ILCS 2435/1 *et seq.*).

(t) **Procurement Lobbying.** Provider warrants and certifies that it and, to the best of its knowledge, its subcontractors have complied and will comply with Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007 generally prohibits Providers and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments, if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

(u) **Restrictions on Lobbying.** Provider certifies that it is in compliance with the restrictions on lobbying set forth in 45 CFR Part 93.

(v) **Business Entity Registration.** Provider certifies that it is not required to register as a business entity with the State Board of Elections pursuant to the Procurement Code (30 ILCS 500/20-160 and 30 ILCS 500/50-37). Further, Provider acknowledges that all contracts between State agencies and a business entity that do not comply with this Paragraph shall be voidable under Section 50-60 of the Procurement Code (30 ILCS 500/50-60).

(w) **Non-procurement Debarment and Suspension.** Provider certifies that it is in compliance with Subpart C of 2 CFR Part 180 as supplemented by 2 CFR Part 376, Subpart C.

(x) **Grant Award Requirements.** Provider certifies that It is in compliance with 45 CFR Part 74 or 45 CFR Part 94.

(y) **Federal Funding Accountability and Transparency Act of 2006.** Provider certifies that it is in compliance with the terms and requirements of P.L. 109-282.

(z) **American Recovery and Reinvestment Act of 2009.** Provider certifies, if applicable, that It is in compliance with the terms and requirements of P.L. 111-5 with respect to reporting fraud, waste and abuse to the Department of Health and Human Services' Fraud Unit. Contact information for reporting fraud, waste and abuse is located at <http://www.oig.hhs.gov/fraud/hotline/>. Provider shall also report such instances of misconduct to the Secretary of DHS with a copy to DHS' General Counsel and DHS' Chief Financial Officer at the following postal or electronic addresses:

To the Secretary:
401 South Clinton Street, Third Floor
Chicago, Illinois 60607
Michelle.Saddler@illinois.gov

To the General Counsel:
100 West Randolph Street, Suite 6-400
Chicago, Illinois 60601
Brian.Dunn@illinois.gov

To the Chief Financial Officer:
100 South Grand Avenue East

Springfield, Illinois 62762
Carol.Kraus@Illinois.gov

(aa) **Services, Debarment and Employment.** Provider hereby certifies that all services provided under this Agreement are explicitly identified and described herein. Services not identified in this Agreement are not authorized or chargeable to DHS, including, but not limited to, administrative costs or fiscal agent fees. Provider further acknowledges that DHS is subject to applicable Federal and State laws, rules and policies that are reasonable and necessary to deliver the goods and services as described in the scope of services and required deliverables. Those applicable laws, rules and policies govern the procurement of goods and services as well as the hiring of personnel who perform work or services in an office or position of employment with the State of Illinois. In accordance therewith, Provider hereby certifies, under penalty of applicable laws, that Provider will not provide services that are not specifically described in this Agreement. Provider further agrees that it is in good standing with the State of Illinois, has not been debarred or suspended from conducting business with the Federal government or primary recipients of Federal grants or contracts, and will not retain any individual(s) as staff on behalf of DHS in contravention of State rules and practices governing the hiring of State employees.

ARTICLE X BACKGROUND CHECKS

10.1. **Employee and Subcontractor Background Checks.** Provider certifies that neither Provider, nor any employee or subcontractor who works on DHS' premises, has a felony conviction. Any request for an exception to this rule must be made in writing, listing the name of the individual, home address, type of conviction and date of conviction. Provider will also supply DHS with a list of individuals assigned to work on DHS' premises at least ten (10) working days prior to the start of their employment, unless circumstances prevent Provider from giving a list within that time. If Provider cannot provide a list, or the name of an individual, at least ten (10) working days prior to his/her employment, it shall do so as soon as possible. DHS may conduct criminal background checks on Provider's employees and subcontractors assigned to work on DHS' premises. Provider agrees to indemnify and hold harmless DHS and its employees for any liability accruing from said background checks.

ARTICLE XI UNLAWFUL DISCRIMINATION

11.1. **Compliance with Nondiscrimination Laws.** Provider, its employees and subcontractors under subcontract made pursuant to this Agreement, shall comply with all applicable provisions of State and Federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to, the following laws and regulations and all subsequent amendments thereto:

- (a) The Illinois Human Rights Act (775 ILCS 5/1-101 *et seq.*), including, without limitation, 44 Ill. Adm. Code Part 750, which is incorporated herein;
- (b) The Public Works Employment Discrimination Act (775 ILCS 10/1 *et seq.*);
- (c) The United States Civil Rights Act of 1964 (as amended) (42 U.S.C. §§2000a- 2000h-6). (*See also* guidelines to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons [Federal Register: February 18, 2002 (Volume 67, Number 13, Pages 2671-2685)]);
- (d) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794);

- (e) The Americans with Disabilities Act of 1990 (42 U.S.C. §12101 *et seq.*);
- (f) Executive Orders 11246 and 11375 (Equal Employment Opportunity) and Executive Order 13166 (2000) (Improving Access to Services for Persons with Limited English Proficiency); and
- (g) Charitable Choice: In accordance with P. L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

ARTICLE XII LOBBYING

12.1. Improper Influence. Provider certifies that no Federally-appropriated funds have been paid or will be paid by or on behalf of Provider to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal agreement, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any Federal agreement, grant, loan or cooperative agreement.

12.2. Federal Form LLL. If any funds, other than Federally-appropriated funds, have been paid or will be paid to any person for influencing or attempting to influence any of the above persons in connection with this Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

12.3. Lobbying Costs. If there are any Indirect Costs associated with this Agreement, total lobbying costs shall be separately identified in the Program budget, and thereafter treated as other Unallowable Costs.

12.4. Subawards. Provider must include the language of this ARTICLE XII in the award documents for any subawards made pursuant to this Award. All subawardees are also subject to certification and disclosure.

12.5. Certification. This certification is a material representation of fact upon which reliance was placed to enter into this transaction and is a prerequisite for this transaction, pursuant to 31 U.S.C. §1352. Any person who fails to file the required certifications shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

ARTICLE XIII CONFIDENTIALITY

13.1. Compliance with Law. Provider shall comply with applicable State and Federal statutes, Federal regulations and DHS administrative rules regarding confidential records or other information obtained by Provider concerning persons served under this Agreement. The records and information shall be protected by Provider from unauthorized disclosure.

ARTICLE XIV INDEMNIFICATION AND LIABILITY

14.1. Indemnification. Provider agrees to hold harmless DHS against any and all liability, loss, damage, cost or expenses, including attorneys' fees, arising from the intentional torts, negligence or breach of contract of Provider, with the exception of acts performed in conformance with an explicit, written directive of DHS.

14.2. Liability. Neither Party assumes liability for actions of the other Party under this Agreement including, but not limited to, the negligent acts and omissions of either Party's agents, employees or subcontractors in the performance of their duties as described under this Agreement.

ARTICLE XV MAINTENANCE AND ACCESSIBILITY OF RECORDS

15.1. Records Retention. Provider shall maintain for a minimum of five (5) years from the later of the date of final payment under this Agreement, or the expiration of this Agreement, adequate books, records and supporting documents to comply with 89 Ill. Adm. Code §509. If an audit, litigation or other action involving the records is begun before the end of the five-year period, the records shall be retained until all issues arising out of the action are resolved.

15.2. Accessibility of Records. Provider shall make books, records, related papers and supporting documentation relevant to this Agreement available to authorized DHS representatives, the Illinois Auditor General, Illinois Attorney General, Federal authorities and any other person as may be authorized by DHS (including auditors) or by the State of Illinois or Federal statute. Provider shall cooperate fully in any such audit.

15.3. Failure to Maintain Books and Records. Failure to maintain books, records and supporting documentation, as described in the preceding provision, shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

ARTICLE XVI RIGHT OF AUDIT AND MONITORING

16.1. Monitoring of Conduct. DHS shall monitor Provider's conduct under this Agreement which may include, but shall not be limited to, reviewing records of Program performance in accordance with administrative rules, license status review, fiscal and audit review, Agreement compliance and compliance with the affirmative action requirements of this Agreement. DHS shall have the authority to conduct announced and unannounced monitoring visits and Provider shall cooperate with DHS in connection with all such monitoring visits. Failure of Provider to cooperate with DHS in connection with announced and unannounced monitoring visits is grounds for DHS' termination of this Agreement.

16.2. Requests for Information. DHS may request, and Provider shall supply, upon request, necessary information and documentation regarding transactions constituting contractual (whether a written contract is in existence or not) or other relationships, paid for with funds received hereunder. Documentation may include, but is not limited to, information regarding Provider's contractual agreements, identity of employees, shareholders and directors of Provider and any party providing services which will or may be paid for with funds received hereunder, including, but not limited to, management and consulting services rendered to Provider.

16.3. Rights of Review. This ARTICLE XVI does not give DHS the right to review a license that is not directly related to the Program being audited nor does it allow DHS to unilaterally revoke a license without complying with all due process rights to which Provider is entitled under Federal, State or local law or applicable rules promulgated by DHS.

ARTICLE XVII
FINANCIAL REPORTING REQUIREMENTS

17.1. Quarterly Reports.

(a) This Paragraph 17.1 does not apply to Fee-for-Service payments. Unless notified in the Exhibits or the Program Attachment to this Agreement, Fixed-Rate payments are exempt from this Paragraph 17.1.

(b) Provider agrees to submit financial reports as requested and in the format required by DHS. If Provider receives funding in excess of \$25,000, Provider shall file with DHS quarterly reports describing the expenditure(s) of the funds related thereto. Quarterly reports must be submitted no later than November 1, February 1, May 1 and August 1. Additional information regarding required financial reports is set forth in the applicable Program Manual. Failure to submit such quarterly reports may cause a delay or suspension of funding (30 ILCS 705/1 *et seq.*).

17.2. Close-out Reports.

(a) Fee-for-Service payments are exempt from this Paragraph 17.2.

(b) Provider shall submit annual close-out reports within sixty (60) calendar days following the end of the State fiscal year or longer if specified in the program plan or rules. In the event that this Agreement is terminated prior to the end of the State fiscal year, Provider shall submit a close-out report within sixty (60) calendar days of such termination. The format of this close-out report shall follow a format prescribed by DHS.

(c) If an audit of Provider occurs and results in adjustments after Provider submits a close-out report, Provider will submit a new close-out report based on audit adjustments

17.3. Audited Financial Statements.

(a) This Paragraph 17.3 applies only to Providers who receive \$150,000 or more in funding from the State of Illinois, including all Departments or Agencies thereof, and whether state or federal funds.

(b) Providers not subject to OMB Circular A-133 shall provide audited financial statements, conducted in accordance with Government Auditing Standards, within 180 days after Provider's fiscal year ending on or after June 30, 2014. This deadline may be extended in the discretion of the DHS' Chief Financial Officer.

(c) Providers subject to OMB Circular A-133 shall submit audited financial statements within 180 days after Provider's fiscal year ending on or after June 30, 2014.

(i) In the discretion of the DHS' Chief Financial Officer, this deadline may be extended up to nine (9) months after the end of Provider's fiscal year without approval from the cognizant Federal agency.

(ii) This deadline may be extended longer than nine (9) months after the end of the Provider's fiscal year contingent upon approval by the cognizant Federal agency.

17.4. Consolidated Financial Reports.

(a) This Paragraph 17.4 applies to all Providers, unless exempted by program rules, regulations or policies.

(b) Providers shall submit Consolidated Financial Reports within 180 days after the Provider's fiscal year ending on or after June 30, 2014.

(i) In the discretion of the DHS' Chief Financial Officer, this deadline may be extended up to nine (9) months after the end of Provider's fiscal year without approval from the cognizant Federal agency.

(ii) This deadline may be extended longer than nine (9) months after the end of the Provider's fiscal year contingent upon approval by the cognizant Federal agency.

(c) The Consolidated Financial Report must cover the same period as the Audited Financial Statements cover.

(d) Consolidated Financial Reports must include an opinion from the report issuer on the Cost and Revenue schedules included in the Consolidated Financial Report.

(e) Consolidated Financial Reports shall follow a format prescribed by DHS.

17.5. Compliance with Grant Requirements of Comptroller. All Grant agreements must comply with the requirements of the Illinois Office of the Comptroller applicable to grants including, but not limited to, Accounting Bulletin No. 161, Issued on July 2, 2010.

17.6. Compliance with Federal Reporting Requirements. All Grant agreements funded in whole or in part with Federal funds must comply with all applicable Federal reporting requirements.

17.7. Notice. Provider shall immediately notify DHS of any event that may have a material impact on Provider's ability to perform this Agreement.

17.8. Effect of Failure to Comply. Failure to comply with reporting requirements shall result in the withholding of funds, the return of improper payments or Unallowable Costs.

**ARTICLE XVIII
PERFORMANCE REPORTING REQUIREMENTS**

18.1. Monthly and Quarterly Reports. Provider agrees to submit Performance Reports as requested and in the format required by DHS. Performance Measures listed in Exhibit E must be reported no less frequently than quarterly. Some Providers may be required to submit monthly Performance Reports; in such case, DHS shall notify Provider of same and said monthly reports shall be submitted by the 15th day of the month following the most recent month which is the subject of the report. Quarterly Performance Reports must be submitted no later than the 15th day of the month following the close of the quarter. Failure to submit such monthly or quarterly Performance Reports may cause a delay or suspension of funding. (30 ILCS 705/1 *et seq.*)

18.2. Close-out Performance Reports. Provider agrees to submit a Close-out Performance Report, as requested and in the format required by DHS, within ninety (90) calendar days following the end of the State fiscal

year. In the event that this Agreement terminates prior to the end of the State fiscal year, Provider agrees to provide a Close-out Performance Report within ninety (90) days after the expiration or termination of this Agreement.

18.3. Content of Performance Reports. All Close-out Performance Reports must include qualitative and quantitative information on customer characteristics, program objectives, program activities, performance measures and outcomes, and evaluation efforts. Appendices may be used to include additional supportive documentation. Additional content and format guidelines for the Close-Out Performance Report will be determined by DHS contingent on the Award's statutory, regulatory and/or administrative requirements.

18.4. Performance Standards. If applicable, Provider shall perform in accordance with the Performance Standards set forth in Exhibit F.

ARTICLE XIX AUDIT REQUIREMENTS

19.1. Submission of Audit Report. Provider shall annually submit an independent audit report and/or supplemental revenue and expense data to DHS as required by 89 Ill. Adm. Code §507 (Audit Requirements of DHS) to enable DHS to perform fiscal monitoring and to account for the usage of funds paid to Provider under this Agreement.

19.2. Performance of Audits. For those organizations required to submit an independent audit report, the audit is to be conducted by a Certified Public Accountant or Certified Public Accounting Firm licensed in the State of Illinois. For audits required to be performed subject to Government Auditing Standards, Provider shall request and maintain on file a copy of the auditor's most recent peer review report and acceptance letter.

19.3. Instructions. If Provider is subject to the audit requirements, DHS will send to Provider, by registered or certified mail, detailed instructions related to independent audit requirements, including provisions for requesting waivers, modifications and filing extensions, by May 31, 2014.

ARTICLE XX SERVICE PROVIDER DIRECTORY

20.1. Inclusion in Directory. Provider shall be listed in DHS' Service Provider Directory, an Internet-based directory of all providers with whom DHS has an agreement to provide services. Provider must provide the following information to DHS for inclusion in the Service Provider Directory:

- (a) The legal name of Provider;
- (b) Provider's business address;
- (c) Provider's business telephone number;
- (d) Provider's hours of operation;
- (e) The general category of services provided by Provider;
- (f) Areas served by Provider; and

(g) Provider's service specialization, if any.

20.2. Multiple Locations. In the event that Provider has more than one location, Provider shall include either (1) the address, phone number and hours of operation of each location, or (2) the address, phone number and hours of operation of Provider's primary location.

20.3. Update Requirements. Provider must advise DHS immediately any time there is a change to any of the foregoing information so that the change may be reflected in the Service Provider Directory no later than the effective date of the change.

20.4. Submission of Information. The information requested in this ARTICLE XX must be submitted to DHS' Office of Contract Administration, 222 South College Avenue, Springfield, Illinois, 62704, within thirty (30) days after execution of this Agreement.

ARTICLE XXI INDEPENDENT CONTRACTOR

21.1. Independent Contractor. Provider is an independent contractor under this Agreement and neither Provider nor any employee or agent of Provider is an employee of DHS and do not acquire any employment rights with DHS or the State of Illinois by virtue of this Agreement. Provider will provide the agreed services and achieve the specified results free from the direction or control of DHS as to the means and methods of performance. Provider will be required to provide its own equipment and supplies necessary to conduct its business; provided, however, that in the event, for its convenience or otherwise, DHS makes any such equipment and/or supplies available to Provider, Provider's use of such equipment or supplies provided by DHS pursuant to this Agreement shall be strictly limited to official DHS or State of Illinois business and not for any other purpose, including any personal benefit or gain.

ARTICLE XXII TERMINATION; SUSPENSION

22.1. Termination. This Agreement may be terminated by either Party for any or no reason upon thirty (30) days' prior written notice to the other Party.

22.2. Breach. DHS may terminate this Agreement immediately in the event Provider substantially or materially breaches this Agreement. In the event that DHS terminates this Agreement as a result of the substantial or material breach of the Agreement by Provider, Provider shall be paid for work satisfactorily performed prior to the date of termination.

22.3. Suspension. If the Provider fails to comply with terms and/or conditions of this Agreement, DHS may suspend this Agreement, withhold further payment and prohibit Provider from incurring additional obligations pending corrective action by Provider or a decision to terminate this Agreement by DHS. DHS may determine to allow necessary and proper costs that Provider could not reasonably avoid during the period of suspension.

ARTICLE XXIII POST-TERMINATION/NON-RENEWAL

23.1. Duties. Upon notice by DHS to Provider of the termination of this Agreement or notice that DHS will not renew, extend or exercise any options to extend the term of this Agreement, or that DHS will not be

contracting with Provider beyond the term of this Agreement, Provider shall, upon demand:

(a) Cooperate with DHS in assuring the transition of recipients of services hereunder for whom Provider will no longer be providing the same or similar services or who choose to receive services through another provider.

(b) To the extent permitted by law, provide copies of all records related to recipient services funded by DHS under this Agreement.

(c) Grant reasonable access to DHS to any and all Program sites serving recipients hereunder to facilitate interviews of recipients to assure a choice process by which recipients may indicate provider preference.

(d) Provide detailed accounting of all service recipients' funds held in trust by Provider, as well as the identity of any recipients for whom Provider is acting as a representative payee of last resort.

23.2. Survival. The promises and covenants of this ARTICLE XXIII shall survive the Term of this Agreement for the purposes of the necessary transition of recipients of services hereunder.

ARTICLE XXIV SUBCONTRACTS

24.1. Subcontracting/Delegation. Provider may not subcontract nor subgrant any portion of this Agreement nor delegate any duties hereunder without Prior Approval of DHS.

(a) The requirement for Prior Approval is satisfied if the subcontractor or subgrantee has been identified in a DHS-approved grant application, such as, without limitation, a Program Plan or a Work Plan.

(b) In emergencies, Provider will request approval in writing within seven (7) days of the use of a subcontractor or subgrantee to fulfill any obligations of this Agreement. Approved subcontractors or subgrantees shall adhere to all provisions of this Agreement.

24.2. Application of Terms. Provider shall advise any subgrantee of funds awarded through this Agreement of the requirements imposed on them by Federal and State laws and regulations, and the provisions of this Agreement.

ARTICLE XXV INTERNET ACCESS

25.1. Access to Internet. Provider must have Internet access. Internet access may be either dial-up or high-speed/DSL. Provider must maintain, at a minimum, one business e-mail address that will be the primary receiving point for all e-mail correspondence from DHS. Provider may list additional e-mail addresses at contract execution. The additional addresses may be for a specific department/division of Provider or for specific employees of Provider. Provider may list additional e-mail points of contact in the same manner as listed above. Provider must notify DHS of any e-mail address changes within five (5) business days from the effective date of the change.

**ARTICLE XXVI
NOTICE OF CHANGE**

26.1. **Notice of Change.** Provider shall give thirty (30) days' prior written notice to DHS if there is a change in Provider's legal status, Federal employer identification number (FEIN), DUNS number, or address. DHS reserves the right to take any and all appropriate action as a result of such change(s).

26.2. **Failure to Provide Notification.** Provider agrees to hold harmless DHS for any acts or omissions of DHS resulting from Provider's failure to notify DHS of these changes.

26.3. **Circumstances Affecting Performance; Notice.** In the event Provider becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Provider's ability to perform under this Agreement, Provider shall notify DHS, in writing, within five (5) calendar days. Such notice must be sent to the Secretary of DHS with a copy to DHS' General Counsel and DHS' Chief Financial Officer at the following postal or electronic addresses:

To the Secretary:
401 South Clinton Street, Third Floor
Chicago, Illinois 60607
Michelle.Saddler@illinois.gov

To the General Counsel:
100 West Randolph Street, Suite 6-400
Chicago, Illinois 60601
Brian.Dunn@illinois.gov

To the Chief Financial Officer:
100 South Grand Avenue East
Springfield, Illinois 62762
Carol.Kraus@illinois.gov

26.4. **Effect of Failure to Provide Notice.** Failure to provide the notice described in the preceding Paragraph shall be grounds for immediate termination of this Agreement.

**ARTICLE XXVII
ASSIGNMENT**

27.1. **Assignment Prohibited.** Provider understands and agrees that this Agreement may not be sold, assigned, or transferred in any manner, to include an assignment of Provider's rights to receive payment hereunder, and that any actual or attempted sale, assignment, or transfer without the Prior Approval of DHS shall render this Agreement null, void, and of no further effect.

**ARTICLE XXVIII
MERGERS/ACQUISITIONS**

28.1. **Effect of Reorganization.** Provider acknowledges that this Agreement is made by and between DHS and Provider, as Provider is currently organized and constituted. No promise or undertaking made hereunder is an assurance that DHS agrees to continue this Agreement, or any license related thereto, should Provider reorganize or otherwise substantially change the character of its corporate or other business structure. Provider

agrees that it will give DHS prior notice of any such action and will provide any and all reasonable documentation necessary for DHS to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. Failure to comply with this ARTICLE XXVIII shall constitute a material breach of this Agreement.

**ARTICLE XXIX
CONTRACTS WITH OTHER STATE AGENCIES; OTHER REQUIRED DISCLOSURES**

29.1. Disclosure. Provider shall fully disclose, in Exhibit G, all contracts and other agreements to which it is a party with any other State agency. For each contract or agreement, Provider shall indicate:

- (a) The name of the State agency;
- (b) The number of the contract(s) or other agreement(s);
- (c) The estimated amount of the contract(s) or other agreement(s);
- (d) The term of the contract(s) or other agreement(s); and
- (e) The nature or purpose of the contract(s) or other agreement(s).

Within thirty (30) days of execution of this Agreement, Provider shall submit Exhibit G to DHS' Office of Contract Administration, 222 South College Avenue, Springfield, Illinois, 62704. Providers with multiple Agreements with DHS for the same fiscal year need to submit Exhibit G only once.

29.2. Copies upon Request. Provider shall, upon request by DHS, provide DHS with copies of contracts or other agreements to which Provider is a party with any other State agency.

29.3. Related Parties. Within 30 days of execution of this Agreement, Provider shall disclose all Related Parties.

29.4. Provider Board Membership. Within 30 days of execution of this Agreement, Provider shall submit its Board membership. In the event of changes to the membership of Provider's Board during the term of this Agreement, Provider shall timely notify DHS of such changes.

**ARTICLE XXX
CONFLICT OF INTEREST**

30.1. Prohibited Payments. Provider agrees that payments made by DHS under this Agreement will not be used to compensate, directly or indirectly, any person: (1) currently holding an elective office in this State including, but not limited to, a seat in the General Assembly, or (2) employed by an office or agency of the State of Illinois whose annual compensation is in excess of sixty percent (60%) of the Governor's annual salary, or \$106,447.20 (30 ILCS 500/50-13).

30.2. Request for Exemption. Provider may request written approval from DHS for an exemption from Paragraph 30.1. Provider acknowledges that DHS is under no obligation to provide such exemption and that DHS may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as DHS may require.

**ARTICLE XXXI
TRANSFER OF EQUIPMENT**

31.1. Transfer of Equipment. DHS shall have the right to require that Provider transfer to DHS any equipment, including title thereto, purchased in whole with DHS funds. DHS shall notify Provider in writing should DHS require the transfer of such equipment. Upon such notification by DHS, and upon receipt or delivery of such equipment by DHS, Provider will be deemed to have transferred the equipment to DHS as if Provider had executed a bill of sale therefor.

31.2. Meaning of "Equipment". For purposes of this ARTICLE XXXI, equipment means any equipment used in the administration and/or operation of the Program having a useful life of two (2) years or more and an acquisition cost of at least \$500.

**ARTICLE XXXII
WORK PRODUCT**

32.1. Definition of Work Product. "Work Product" means all the tangible materials, regardless of format, delivered by Provider to DHS under this Agreement. Provider assigns to DHS all right, title and interest in and to Work Product. However, nothing in this Agreement shall be interpreted to grant DHS any right, title or interest in Provider's Intellectual property that has been or will later be developed outside the scope of services provided hereunder.

32.2. License to DHS. To the extent Provider-owned works are incorporated into Work Product, Provider grants to DHS a perpetual, non-exclusive, paid-up, world-wide license in the use, reproduction, publication and distribution of such Provider-owned works when included within the Work Product. Provider shall not copyright Work Product without DHS' prior written consent.

32.3. License to Provider; Objections. DHS grants to Provider a perpetual, non-exclusive, paid-up license to publish academic and scholarly articles based upon the services rendered under this Agreement. All materials to be published shall first be submitted to DHS at least forty-five (45) days prior to publication or other disclosure. Upon written objection from DHS, Provider shall excise any confidential information, as that term is defined in applicable State and Federal statutes, federal regulations and DHS administrative rules, from materials before publication. DHS may also object to the publication on grounds other than confidentiality. As to the latter objections, Provider and DHS will attempt to resolve DHS' concerns within the forty-five (45) day review period, or as otherwise agreed between the Parties. DHS waives any objections not made to Provider in writing before expiration of the review period.

32.4. Unresolved Objections; Disclaimer. If DHS' objections on grounds other than confidentiality are not resolved within the review period or other such time as agreed by the Parties, then Provider may publish the materials but shall include therein the following disclaimer: "Although the research or services underlying this article were funded in whole or in part by the Illinois Department of Human Services, the Illinois Department of Human Services does not endorse or adopt the opinions or conclusions presented in the article." Notwithstanding the above, DHS shall not have the right to control or censor the contents of Provider publications.

**ARTICLE XXXIII
PROMOTIONAL MATERIALS; PRIOR NOTIFICATION**

33.1. Publications, Announcements, etc. In the event that DHS funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Provider

agrees to include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase "Funding provided in whole or in part by the Illinois Department of Human Services." Exceptions to this requirement must be requested, in writing, from DHS and will be considered authorized only upon written notice thereof to Provider.

33.2. Prior Notification/Release of Information. Provider agrees to notify DHS prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and to cooperate with DHS in joint or coordinated releases of information.

ARTICLE XXXIV INSURANCE

34.1. Purchase and Maintenance of Insurance. Provider shall purchase and maintain in full force and effect during the term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real and/or personal property purchased or otherwise acquired, in whole or in part, with funds disbursed pursuant to this Agreement.

34.2. Cost of Insurance. If, during the term of this Agreement, Provider's cost of property and casualty insurance increases by twenty-five percent (25%) or more, or if new State regulations impose additional costs on Provider, Provider may request that DHS review this Agreement and adjust the compensation or reimbursement provisions hereof in accordance with any agreement reached, all of which shall be at the sole discretion of DHS and subject to the limitations of DHS' appropriated funds.

34.3. Claims. If a claim is submitted for real and/or personal property purchased in whole with funds from this Agreement and such claim results in the recovery of money, such money recovered shall be surrendered to DHS.

ARTICLE XXXV LAWSUITS

35.1. Indemnification. Indemnification will be governed by the State Employee Indemnification Act (5 ILCS 350/1 *et seq.*) as interpreted by the Illinois Attorney General. DHS makes no representation that Provider, an independent contractor, will qualify or be eligible for indemnification under said Act.

ARTICLE XXXVI GIFTS AND INCENTIVES PROVISION

36.1. Gift Ban. Provider is prohibited from giving gifts to DHS employees (5 ILCS 430/10-10). Provider will provide DHS with advance notice of Provider's provision of gifts, excluding charitable donations, given as incentives to community-based organizations in Illinois and clients in Illinois to assist Provider in carrying out its responsibilities under this Agreement.

ARTICLE XXXVII EXHIBITS; ATTACHMENT AND PROGRAM MANUAL

37.1. Exhibits A through H. Exhibits A through H and any documents referenced therein are attached hereto and are incorporated herein in their entirety.

37.2. Attachment and Program Manual. The related Attachment and Program Manual are hereby

incorporated into this Agreement and can be found on the following DHS website:
<http://www.dhs.state.il.us/page.aspx?item=53557>.

**ARTICLE XXXVIII
MISCELLANEOUS**

38.1. Renewal. This Agreement may be renewed for additional periods by mutual consent of the Parties, expressed in writing and signed by the Parties. Provider acknowledges that this Agreement does not create any expectation of renewal.

38.2. Amendments. This Agreement may be modified or amended at any time during its term by mutual consent of the Parties, expressed in writing and signed by the Parties.

38.3. Severability. If any provision of this Agreement is declared invalid, its other provisions shall not be affected thereby.

38.4. No Waiver. No failure of DHS to assert any right or remedy hereunder will act as a waiver of its right to assert such right or remedy at a later time or constitute a course of business upon which Provider may rely for the purpose of denial of such a right or remedy to DHS.

38.5. Applicable Law; Claims. This Agreement and all subsequent amendments thereto, if any, shall be governed and construed in accordance with the laws of the State of Illinois. Any claim against DHS arising out of this Agreement must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1 *et seq.* DHS does not waive sovereign immunity by entering into this Agreement.

38.6. Compliance with Law. This Agreement and Provider's obligations and services hereunder are hereby made and must be performed in compliance with all applicable Federal and State laws, including, without limitation, ARRA and its reporting requirements, Federal regulations, State administrative rules, including 89 Ill. Adm. Code §509, and any and all license and/or professional certification provisions.

38.7. Compliance with Freedom of Information Act. Upon request, Provider shall make available to DHS all documents in its possession that DHS deems necessary in order to comply with requests made under the Freedom of Information Act. 5 ILCS 140/7(2).

38.8. Cooperation with Office of the Executive Inspector General. In the event that Provider is contacted by the Office of the Executive Inspector General for the Agencies of the Illinois Governor, Provider shall cooperate fully with any request made by the Inspector General and his or her designee including, but not limited to, requests for documents and interviews.

38.9. Precedence. In the event there is a conflict between this Agreement and any of the exhibits hereto, this Agreement shall control. In the event there is a conflict between this Agreement and relevant statute(s) or Administrative Rule(s), the relevant statute(s) or rule(s) shall control.

38.10. Headings. Article and other headings contained in this Agreement are for reference purposes only and are not intended to define or limit the scope, extent or intent of this Agreement or any provision hereof.

38.11. Entire Agreement. Provider and DHS understand and agree that this Agreement constitutes the entire agreement between them and that no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Provider or DHS.

38.12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a Portable Document Format (PDF) document shall be deemed original for all purposes.

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EXHIBIT A

SCOPE OF SERVICES

FEDERAL PROGRAM NAME:
STATE PROGRAM NAME: CHILD CARE-SITE ADMINISTERED
PURPOSE OF GRANT

CFDA: 93.596 - Appropriation Code: 01001490B
Appropriation Desc: CHILD CARE SERVICES
Appropriation Amount: \$20,000,000.00
Maintenance of Effort (MOE): No
Matching Funds: No

CFDA: 93.596 - Appropriation Code: 01001490B
Appropriation Desc: CHILD CARE SERVICES
Appropriation Amount: \$3,500,000.00
Maintenance of Effort (MOE): No
Matching Funds: No

CFDA: 93.596 - Appropriation Code: 01001490B
Appropriation Desc: CHILD CARE SERVICES
Appropriation Amount: \$2,500,000.00
Maintenance of Effort (MOE): No
Matching Funds: No

Determine eligibility for IDHS Child Care Assistance program in accordance with the policies and procedures set forth in the Bureau of Child Care & Development Program Manual and provide child care services to a negotiated number of children.

----- END OF PROGRAM: CHILD CARE-SITE ADMINISTERED -----

**EXHIBIT B
DELIVERABLES**

All contractors must have a community outreach plan which includes a detailed description for notifying the community of the program, hours of operation, and admittance/eligibility requirements into the program(s) they administer for IDHS. Each contractor must have available for inspection linkage agreements or memorandums of understanding with other community service agencies, IDHS Family and Community Resource Centers, and other outreach entities. IDHS must approve any publication and distribution of flyers, printed materials and brochures that are part of the IDHS funded program. All contractors must have a referral process that assists program participants with enrollment into public benefit programs such as TANF, Food Stamps, KIDCARE, medical and disability assistance, as well as other resources that address the needs of the population targeted for service.

In addition, all Site Administered Child Care providers will:

1. Provide child care services at daily/weekly times that are consistent with the parental/child needs.
2. Recruit eligible families and children to their child care service.

3. Determine and redetermine client eligibility as instructed in the BCCD Program Manual Section 02: Eligibility Determination. Providers will use the Child Care Application and supporting documentation to determine eligibility. If the supporting documentation is missing, Site Administered Child Care providers must issue a written Request for additional information to the applicant/client for all missing information before making a determination of eligibility. Supporting documentation includes, but is not limited to: the two most recent and consecutive pay stubs for all employed family members age 19 and older (unless the applicant is age 18 or less), verification of enrollment in a training/education program, and the clients TANF Responsibility and Service Plan. In addition, providers must use other electronic data bases provided by IDHS to verify eligibility information from the child care application and/or redetermination including, but not limited to, family composition, earned and unearned income and employment or education/training schedules.

4. Charge the Department the standard daily rate based on geographic area and age of child served. Site Administered Child Care Providers may charge for subsidized child care families do for private pay families, nor can providers charge subsidized child care families higher than the maximum rate for regular child care services (excluding fees). Site Administered Child Care and Infant and Toddler Incentive Program providers are required to provide a listing of the child care rates charged to IDHS subsidized clients vs. the rates charged to private pay families, via a Child Care Rate Certification Form. This form is to be completed and submitted annually with the Site Administered Child Care and Infant and Toddler Incentive Program contract packets. Site Administered Child Care and Infant and Toddler Incentive Program contracts will not be processed unless this certification is received.

The number of children served under the contract will be negotiated with each Site Administered Child Care Provider. Additionally Site Administered Child Care Providers will:

- a. Charge no more than \$2.00 per contracted child, per day, to offset the cost of eligibility determination services. For example: 35 children at \$2.00 per day for 250 eligible days would be \$17,500.
5. Submit 100% of Child Care Applications and Redetermination Forms to IDHS, Bureau of

EXHIBIT B

DELIVERABLES

- Child Care and Development, within ten (10) working days of receipt to ensure that parents will not lose eligible days of child care assistance. Child Care Applications and Redetermination Forms cannot be submitted to IDHS until all income/education documentation has been verified by the Provider as matching the information on the Application.
6. Calculate and collect parent fees (co-payments) based on income, family size, the number of children in care, and the child care schedule.
7. Develop a written agreement regarding parent fees that includes the case name, case number, amount and frequency of payments(s) and the consequences for failure to pay. This agreement is to be discussed with the parent(s) and signed by both the provider and the parent(s). A copy will be given to the parent(s) and a copy will be retained in the case file.
8. Collect a minimum of 75% of parent fees (co-payments) during each year.
9. Submit accurate monthly billing form(s), Site Administered Monthly Enrollment Report (SAMER), to IDHS, Bureau of Child Care and Development, within 15 calendar days of the end of the month of service.
10. Maintain appropriate fiscal records for review by IDHS or its designee.
11. Provide services that are developmentally appropriate, culturally sensitive, and consistent with individual child needs.
12. Seek parents involvement in decisions affecting their childrens care.
13. Involve a Board of Directors and/or Advisory Council Committee in the operations of the program. If there are no parents on the Board of Directors, include them in an Advisory Committee or provide another mechanism for parental input to the agencies decision making process.
14. Maintain licensed status with the Department of Children and Family Services (DCFS), meeting license standards during the entire contract period (licensed facilities).
15. Agencies operating networks of licensed family child care homes must assure that the chief program administrator and program coordinator are persons who meet the requirements for supervising a child care center under the Child Care Act of 1969.
16. Cooperate with and coordinate information with caseworkers at the Family and Community Resource Center (FCRC, formerly known as Local Office), including but not limited to, posting the name and phone number of an IDHS contact person and notifying the FCRC whenever there are contracted slots available.
17. List their agency on the referral database of the appropriate child care resource and referral agency serving their area.
18. Maintain accurate attendance records and sign in/out sheets, in ink, for 100% of the days of operation. These records may be reviewed in a monitoring visit. These records must be retained for five (5) years.
19. Maintain case records for each eligible family receiving Child Care Assistance for at least five (5) years. These records may be reviewed in a monitoring visit.
20. Designate staff that are responsible for the IDHS contract and ensure that staff are

EXHIBIT B

DELIVERABLES

- appropriately trained.
21. Assume job descriptions on file include the roles and responsibilities for administering the Child Care Assistance Program (CCAP).
 22. Assume that designated staff attend all regularly scheduled IDHS training regarding the Site Administered Child Care Program.
 23. Submit an independent audit to IDHS for the previous fiscal year (for agencies with contracts totaling \$500,000 or more) no later than 120 days after the end of their fiscal year. This audit will be performed by a CPA external to the agency.
 24. Distribute personnel policies upon employment and within 30 days of approved revisions.
 25. In addition, all Site Administered contractors operating child care centers will:
 - a. Have procedures in place to contact a parent when a child's absence is unexplained for more than two (2) days.
 - b. Assume that each on-site manager is familiar with publicly funded professional development opportunities available to staff, e.g., CRR&R training, StarNet, etc. a).
 - c. Assume that at least 10% of the teaching staff (staff in positions to be left alone with a group of children) will meet Great Start education requirements.
 - d. Assume the child care director and the child care staff will all participate in a minimum of 15 clock hours of professional development/in-service training.
 - e. Assume that at least 10% of child care staff will be trained in blood borne pathogen and universal precautions and certified First Aid and CPR.
 - f. Have health policies and procedures reviewed by a qualified health professional, e.g., CRR&R nurse consultant.
 - g. Have a health professional visit the center monthly if the center serves infants and toddlers.
 - h. Encourage family involvement in children's programs using a variety of alternatives.
 - i. Be accessible to parents during all hours of operation, by phone or in person.
 - j. Assume that automated phone systems contain the option of being connected to a live person.
 - k. Demonstrate that they have a QRS Star rating (a copy of the current QRS Star Award certificate must be submitted to IDHS) OR must submit an action plan detailing steps that will be implemented and result in application to the QRS.
- Site Administered Child Care Provider responsibilities include, but are not limited to, the following, by area:
- A. Eligibility
 - Request in writing and obtain all missing information and documentation prior to making a determination of eligibility.
 - Use all Web screens to assist with the determination of client eligibility.
 - Submit 100% of all Child Care Applications and Redetermination Forms, along with appropriate supporting documentation, to the Bureau of Child Care and Development, IDHS, within ten (10) working days of receipt.
 - Assist clients as they complete an initial Child Care Application for subsidized child care. The application must be completed according to the directions which accompany the IL44-3455 form, and/or given in the Bureau of Child Care & Development Program Manual. Ensure all documentation to support income and service eligibility is obtained.

----- END OF PROGRAM: CHILD CARE-SITE ADMINISTERED -----

DELIVERABLES

EXHIBIT B

Agreement No. FCSS100434

**EXHIBIT C
PAYMENT**

Provider shall receive an estimated total compensation of \$26,000,000.00 for services under this Agreement.

Enter specific terms of payment here:

Providers will submit the billing packet to the Bureau of Child Care and Development on, or before, the 15th of the month following the month of service. The payments will be made upon approved monthly billings for services. Final payments will be made after billings are received for services through June 30, 2014.

----- END OF PROGRAM: CHILD CARE-SITE ADMINISTERED -----

Estimated Annual Contract Amount: \$26,000,000.00

NOTE: The estimated figures are merely an objective means of computing the contract amount and should not be construed as a guaranteed amount that will be spent on the contract during the fiscal year.

EXHIBIT D

CONTACT INFORMATION

CONTACT FOR NOTIFICATION:

All notices required or desired to be sent by either Party shall be sent to the persons listed below.

PROVIDER CONTACT

Name: Jennifer Welch
Title: Deputy Commissioner
Address: 1615 W Chicago Ave
Chicago, IL 60622
Phone: 312-746-7448
TTY #: _____
Fax #: 312-746-7783
E-mail Address: jennifer.welch@cityofchicago.org

DHS CONTACT

Name: Lesa Hilligoss
Title: _____
Address: 400 West Lawrence
Springfield, IL 62769
Phone: 217-785-9365
TTY #: _____
Fax #: _____
E-mail Address: lesa.hilligoss@illinois.gov

EXHIBIT E

PERFORMANCE MEASURES

The Program Integrity and Quality Assurance Unit of the DHS Bureau of Child Care and Development (BCDD) monitors the DHS Child Care Program contractors. This includes all Child Care Resource and Referral (CCR&R) agencies and child care organizations that contract with DHS to provide Child Care Program services. Contracts include administrative services and direct services.

Child Care Program compliance reviews are accomplished mainly through on-site visits to the contractors and can include: review of the administrative service provision to providers and clients, client record review for program eligibility compliance, internal controls, fiscal compliance to generally accepted accounting procedures of financial record keeping, and compliance with licensing standards promulgated by the Illinois Department of Children and Family Services.

The Performance Measures for this Exhibit under this contractual agreement will be collected by the DHS BCDD monitors and not by the contracted providers. The metrics DHS monitors collect include:

- # of client records reviewed
- # of client records in compliance with BCDD Policies/Procedures
- # of applications and redeterminations processed within specified timeframes
- # of services billed within specified timeframes
- # of program components with which contractors complied
- # of financial components with which contractors complied
- To be in compliance with their DHS BCDD monitoring reviews, contractors will:
 - Provide 100% of client records and family case files requested by BCDD monitor on reviews, including applications and redeterminations processed, case cancel and deny documentation.
 - Provide 100% of attendance records requested by BCDD monitor.
 - Demonstrate compliance or progress toward compliance for 100% of the 18 program components in the monitoring process, as applicable.
 - Demonstrate compliance or progress toward compliance for 100% of the 12 financial components of the monitoring process, as applicable.
 - Comply with 100% of the timelines specified by BCDD monitoring in the report response process.
- Submit a program improvement/corrective action plan to BCDD.
- Submit to BCDD monitors evidence of annual program self-assessment/audit and corrective actions taken to demonstrate improvement.

----- END OF PROGRAM: CHILD CARE-SITE ADMINISTERED -----

EXHIBIT F

PERFORMANCE STANDARDS

The objectives in Exhibit F apply to the BCDD PIQA monitoring reviews of contractors. Contractors will ensure that:
90% of all CCAP applications and redeterminations are processed according to contract and program policy timeframes.
90% of all CCAP applications and redeterminations are processed accurately.
90% of all CCAP billings are submitted within 10 days of the end of the month and/or service completion.
Billings comply with an 85% accuracy rate related to eligibility for reimbursement (need for care, schedule of care, etc.) and co-payment calculation.
Agency has and implements a system of ongoing staff training and training of new staff. 90% of CCAP billings comply with procedures around the 80% rule. Billings are supported by legible attendance/sign in sheets.

----- END OF PROGRAM: CHILD CARE-SITE ADMINISTERED -----

**EXHIBIT H
LINGUISTIC AND CULTURAL COMPETENCY GUIDELINES AND ASSURANCE**

These Linguistic and Cultural Competency Guidelines and Assurance (LCC Guidelines) are attached to the Community Services Agreement (Agreement) and incorporated into it.

**SECTION I
INTRODUCTION**

1.1. Introduction. The purpose of these LCC Guidelines is to improve access to culturally competent programs, services, and activities for Limited English Proficient (LEP) customers, persons who are hard of hearing or Deaf, and persons with low literacy (collectively, the Goal). LEP Customers, as used herein, includes LEP Customers, persons who are hard of hearing or Deaf, and persons with low literacy.

1.2. Linguistic and Cultural Competency Mandate: These LCC Guidelines were developed because the State of Illinois must comply with the Constitution of the United States, Title VI of the Civil Rights Act of 1964, Americans with Disabilities Act of 1990, Americans with Disabilities Act Amendments Act of 2008, Illinois Human Rights Act, and the 1970 Constitution of the State of Illinois and any laws, regulations or orders, federal or state, which prohibit discrimination on the grounds of race, sex, color, religion, national origin, age, ancestry, marital status, disability, or the inability to speak or comprehend the English language.

1.3. Assessment Purpose. These LCC Guidelines require the submission of an assessment, as described below. The assessment is an initial step to complete compliance, followed by using the assessment to develop and institute an implementation plan. It is expected that by July 1, 2015, full implementation will occur, with complete requirements. For more information, visit <http://www.dhs.state.il.us/page.aspx?item=29741> (this website also has available training resources and examples).

**SECTION II
KEY CONCEPTS**

2.1. Cultural Competence. A set of behaviors, attitudes and policies in a system, agency or among professionals that affect cross-cultural work, evolving over time.

2.2. Individual Cultural Competence. Acquisition of the values, knowledge, skills and attributes that allows an individual to work appropriately in cross-cultural situations.

2.3. Organizational Cultural Competence. Systems and organizations approve, and in some cases mandate, the incorporation of cultural knowledge into policymaking, infrastructure and practice. An example of an LEP practice would include: requiring written material translated, adapted, and or provided in alternative formats based on needs and preferences of the populations served.

2.4. Language Access. Assuring language access means providing language assistance services, including bilingual personnel and interpreter services, at no cost to each LEP customer, at key points of contact, in a timely manner. Interpretation and translation services must comply with all relevant federal, state and local mandates governing language access. Consumers must engage in evaluation of language access and other

communication to ensure quality and satisfaction. Importantly, Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color or national origin including actions that *delay, deny, or provide different* quality services to a particular individual or group of individuals. See Civil Rights Act of 1964, Pub. L. 88-352, July 2, 1964, 78 Stat. 241, as amended.

2.5. **Meaningful Access.** Providers and their subcontractors, providing services subject to 7 C.F.R. § 272.4(b) are required to take reasonable steps to ensure meaningful access to their services and programs by LEP Customers. Compliance involves the balancing of four factors: 1) the number and proportion of eligible LEP Customers, 2) the frequency of contact with LEP Customers, 3) the importance or impact of the contact upon the lives of the person(s) served, and 4) the resources available to the organization. This four-factor analysis (LEP Assessment) may be applied to the different types of programs or activities the Provider provides to determine the level of language assistance measures sufficient to assure full compliance or to demonstrate reasonable efforts.

SECTION III ASSESSMENT

- 3.1. **Assessment Submission.** The Provider shall submit to DHS its LEP Assessment by April 1, 2014.
- 3.2. **Assessment Detail.** The Assessment must include the following:

- a) Data on the race, ethnicity and primary spoken language of the customers served by the Provider;
- b) Identification of the number of bilingual staff, their language(s), and job description of those who facilitate access to and the provision of Provider services; and
- c) Any Provider policy statements that assure compliance with federal and state law regarding equal access and service delivery to LEP Customers.

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