



State of Utah

GARY R. HERBERT  
Governor

GREG BELL  
Lieutenant Governor

TOOELE COUNTY CORPORATION  
CONTRACT # 12-06-06

DEPARTMENT OF HUMAN SERVICES

PALMER DePAULIS  
Executive Director

OFFICE OF FISCAL OPERATIONS  
JENNIFER C. EVANS  
Director

BUREAU OF CONTRACT MANAGEMENT  
STEPHANIE M. CASTRO  
Director

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Contract No. \_\_\_\_\_

## DHS CONTRACT WITH MENTAL HEALTH LOCAL AUTHORITY

**CONTRACTING PARTIES:** This Contract is between the Utah Department of Human Services which includes the Division of Substance Abuse and Mental Health, 195 North 1950 West, Salt Lake City, Utah 84116 (referred to in this Contract as "DHS" or "DHS/DSAMH");

AND

Name: Tooele County Corporation  
Address: 47 South Main Street  
Tooele, Utah 84074-2194

A Utah governmental entity referred to in this Contract as the "Local Authority").

### ALL NOTICES RELATING TO THIS CONTACT SHALL BE SUBMITTED TO:

	LOCAL AUTHORITY	DHS/DSAMH
Name	Colleen Johnson	Ray Winger
Title	Commissioner	Contract/Grants Administrator
Telephone	(435) 843-3150	(801) 538-4319
Email	cadams@co.tooele.ut.us	raywinger@utah.gov
Address	47 South Main Street Tooele, Utah 84074	195 North 1950 West Salt Lake City, Utah 84116

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## RECITALS

1. DHS/DSAMH receives federal and state funds which it then distributes to local authorities for mental health programs in the areas served by the local authorities; and
2. The Local Authority is a local governmental entity that is authorized to receive public funds for the mental health programs in its area; and
3. Pursuant to Utah Code § 62A-15-103 DHS/DSAMH is authorized to provide the Local Authority with direction on the use of such public funds and to enter into contracts that specify how the Local Authority will use these public funds; and
4. DHS/DSAMH works cooperatively with the Local Authority to ensure that these public funds are used appropriately; and
5. Pursuant to Utah Code § 17-43-301 the Local Authority is accountable to DHS/DSAMH for using public funds obtained through this Contract appropriately, and for complying with all applicable state and federal laws, policies, audit requirements, contract requirements and DHS/DSAMH directives; and
6. Pursuant to Utah Code § 62A-15-103 DHS/DSAMH is authorized to monitor the Local Authority's use and management of these public funds; to oversee its governance of the programs in the Local Authority's area; and to review the Local Authority's compliance with laws, policies, audit requirements, contract requirements and DHS/DSAMH directives; and
7. DHS/DSAMH may refuse to contract with or may take legal action against any Local Authority that breaches its contract with DHS/DSAMH or that fails to use or expend public funds in accordance with applicable laws, policies and DHS/DSAMH directives.

## PART I: GENERAL PROVISIONS

### SECTION A: CONTRACT DESCRIPTION AND SPECIFICATIONS

1. **PURPOSE AND SCOPE OF CONTRACT:** To provide funding and direction to, and oversight of, the Local Authority for the provision of mental health services to individuals residing in the Local Authority's geographical area.

The Local Authority shall use the funds paid by DHS/DSAMH pursuant to this Contract only for the purposes specified in this Contract, and in the Local Authority's approved Area Plan for the applicable time period. The Local Authority represents that it has the financial, managerial and institutional capacity to fully comply with the requirements of this Contract.

2. **CONTRACT PERIOD:** This Contract is effective as of **July 1, 2012** and terminates on **June 30, 2015**, unless terminated sooner in accordance with the terms and conditions of this Contract. This contract period shall not exceed three fiscal years. For purposes of this Contract, the term "fiscal year" refers to the State of Utah Fiscal Year, which runs from July 1<sup>st</sup> through June 30<sup>th</sup>.

3. **TYPE OF CONTRACTOR:** The Local Authority is a "Subrecipient." The Local Authority shall comply with the financial record keeping and reporting requirements that apply to federally-funded subrecipients, even if this Contract is funded solely by *State* funds.

4. **COMPLIANCE WITH PROCUREMENT REQUIREMENTS:** The Local Authority is a governmental entity, and this Contract is therefore exempt from the bidding process and procurement requirements.

5. **DOCUMENTS INCORPORATED BY REFERENCE:**

- a. All documents identified in this Contract.
- b. All statutes, regulations, and federal policies that apply to this Contract.
- c. The DHS/DSAMH Division Directives provided to the Local Authority.
- d. The approved Area Plan submitted by the Local Authority for each of the fiscal years covered by this Contract and any attachments to those Area Plans.
- e. The signed approval of the Area Plan and funding allocation letter sent to the Local Authority by DHS/DSAMH for each of the fiscal years covered by this Contract.

6. **ORDER OF INTERPRETATION:** In the event of any conflict between this Contract and other documents, the conflict shall be resolved in the following order:

- a. Contract Parts I through VI and signed amendments.
- b. The DHS/DSAMH Division Directives.

- c. Funding Allocation Letter.
- d. The Local Authority's Approved Area Plan.

**SECTION B: LOCAL AUTHORITY'S LEGAL STATUS AND INDEMNIFICATION RESPONSIBILITIES**

1. **LOCAL AUTHORITY IS AN INDEPENDENT CONTRACTOR:** The Local Authority is an independent contractor, and has no authorization, express or implied, to bind DHS/DSAMH or any state agency to any agreements, settlements, or liability. Nothing in this Contract shall be construed to limit the Local Authority's authority to bind itself to agreements, settlements or liability, as long as such agreements, settlements or liability affect only itself and not DHS/DSAMH. The Local Authority is not authorized to act as an agent for DHS/DSAMH, except as expressly provided in this Contract. Persons employed by DHS/DSAMH and acting under direction of DHS/DSAMH shall not be deemed to be employees or agents of the Local Authority. Persons employed by the Local Authority and acting under the direction of the Local Authority shall not be deemed to be employees or agents of DHS/DSAMH except as expressly provided in this Contract. As an independent contractor, the Local Authority is responsible for its own operations and for providing the office space, supplies, equipment, tools, and other supports necessary to provide the services covered by this Contract unless specifically stated otherwise in the Contract. The funding paid to the Local Authority pursuant to this Contract shall be Local Authority's total funding from DHS/DSAMH for the services provided pursuant to this Contract and the Local Authority is responsible for the payment of any and all tax liabilities incurred as a result of the funding received.
2. **PROTECTION AGAINST LIABILITY; LOCAL AUTHORITY'S SUBCONTRACTORS MUST PROVIDE INSURANCE AND INDEMNIFICATION:**
  - a. **Local Authority and its Subcontractors:** Neither the Local Authority nor DHS/DSAMH waives any defenses otherwise available under the Governmental Immunity Act ("GIA"). Subcontractors may not be protected by the GIA.
  - b. **Workers' Compensation:** The Local Authority and its subcontractors shall comply with the Utah Workers' Compensation Act which requires employers to provide workers' compensation coverage for their employees.
  - c. **Required Insurance for Non-Governmental Subcontractors.** A non-governmental subcontractor shall maintain adequate protection against liability as specified in this Contract. Specifically, the Local Authority shall require its non-governmental subcontractors to maintain commercial insurance or self-insurance for the dollar amounts and types of coverage specified in this Contract. Any commercial insurance shall be obtained from insurance companies authorized to do business in the State of Utah and rated "A-" or better with a financial size category of Class VII

or larger, according to the ratings and financial size categories published by A.M. Best Company at the time this Contract is executed.

Commercial insurance may be obtained from an insurance company that does not meet the above stated A. M. Best Company rating and/or class size, **if** the subcontractor provides documentation verifying the insurance company providing the subcontractor's insurance **is reinsured** by another affiliated insurance company that **does meet** the required rating and class size requirements.

Each of the subcontractor's general and professional liability insurance policies shall include an endorsement that names the State of Utah, DHS, DHS/DSAMH and their officers and employees as additional insureds. The additional insured endorsement shall provide the State of Utah, DHS, DHS/DSAMH and their officers and employees with primary coverage (not contributing coverage) for any liability arising as a result of the subcontractor's acts or omissions in connection with this Contract. The subcontractor is not required to obtain an "additional insured" endorsement for any automobile or Workers' Compensation insurance policy required by this Contract.

If the subcontractor is an "individual" providing services of less than 25 hours per week, the additional insured endorsement may omit the requirement that the endorsement be primary coverage. The term individual as used in this subsection means the subcontractor provides the services pursuant to this Contract him or herself and does not employ other professionals to provide such services.

- d. **Deductibles and Similar Costs.** The subcontractor shall be responsible for paying any deductibles, self-insured retentions or self-insurance costs *and similar items*. The deductibles, self-insured retentions, self-insurance costs *and similar items* for the insurance policies required by this Contract may not exceed \$10,000.00, unless the Local Authority obtains prior **written** approval of a higher amount from the DHS Deputy Director for Support Services who may withhold approval for any reason.

e. **Types of Liability Protection the Subcontractor Shall Provide:**

- (1) **Private Subcontractor—Commercial Insurance Required:** If the subcontractor is not a governmental entity of the State of Utah, the Local Authority shall require the subcontractor to maintain the following policies of liability insurance at its sole expense during the term of this Contract, unless the subcontractor has already satisfied the requirements of the "self-insurance" provision below:

- (a) **General Liability Insurance:** The subcontractor shall maintain a policy of general liability insurance that at a minimum covers the following types of liability: bodily injury or death, personal injury, property damage, broad form property damage, and liability for the property of others in the care, custody and control of the subcontractor. The policy shall provide for a combined single limit or the equivalent of not less than \$1,000,000 for each occurrence and \$2,000,000 aggregate. If the

subcontractor is providing services at more than one site, the general liability insurance shall cover each of those sites. If the general liability insurance coverage obtained by the subcontractor is written on a "claims-made" basis, the certificate of insurance shall so indicate, and the policy shall contain an extended reporting period provision or similar "tail" provision such that the policy covers claims reported up to five years beyond the date that this Contract is terminated.

If the subcontractor does not provide services in its own office or facility, the requirement for general liability insurance is waived.

- (b) *Automobile Insurance:* If the subcontractor's services involve transporting any clients or goods for DHS/DSAMH, the subcontractor shall maintain a policy of automobile liability insurance covering property damage, personal injury protection, and liability for the vehicles used by the subcontractor (including owned, hired and non-owned vehicles). The policy shall provide for a combined single limit, or the equivalent, of not less than \$1,000,000. If the subcontractor subcontracts with another entity or individual for transportation services, or services that include transportation, the subcontractor may satisfy this insurance requirement by submitting proof that its subcontractor has complied with the requirements of the "Insurance and Indemnification" section of this Contract.

If the subcontractor provides individual residential care services by contracting with individual residential care homes, the subcontractor shall maintain a policy of automobile liability insurance as indicated above, and each of the subcontractor's individual residential care homes shall maintain a policy of automobile liability insurance. The automobile liability insurance required of individual residential care homes shall cover property damage, personal injury protection and liability with a combined single limit or the equivalent of not less than \$100,000 per person and \$300,000 for each accident/occurrence occurring during the course of their duties as an individual residential care home. **As used in this provision, the term "individual residential care" refers to twenty-four hour family-based care for one or more clients in foster/proctor care, a host home, or a professional parent setting.**

- (c) *Professional Liability Insurance:* If the subcontractor is and/or employs doctors, dentists, social workers, mental health therapists or other professionals to provide services pursuant to this Contract, the subcontractor shall maintain a policy of professional liability insurance ("malpractice insurance") with a limit of not less than \$1,000,000 for each occurrence and \$2,000,000 aggregate. This professional liability insurance shall cover damages caused by errors, omissions or negligence related to the professional services provided pursuant to this Contract. If the professional liability insurance coverage obtained by the

subcontractor is written on a "claims-made" basis, the certificate of insurance shall so indicate, and the policy shall contain an extended reporting period provision or similar "tail" provision such that the policy covers claims reported up to three years beyond the date that this Contract is terminated.

- (2) **Self-Insured Private Subcontractor—No Commercial Insurance Required, But Indemnification and Prior DHS Approval Required:** If the subcontractor claims that it is self-insured, the Local Authority shall provide DHS with evidence that the subcontractor is financially solvent and has established financial arrangements (such as a written comprehensive self-insurance program, performance bonds or fidelity bonds) that will provide DHS with liability protection at least as adequate and extensive as the insurance otherwise required pursuant to this Contract for non-governmental entities. Specifically, the subcontractor must show that its ability to process and pay claims adequately, fairly and in a timely manner is comparable to a commercial insurer that provides general liability insurance, automobile insurance and professional liability insurance. Before executing a contract with the subcontractor, the Local Authority shall obtain from the DHS Deputy Director for Support Services a written statement indicating that DHS has determined, based on the subcontractor's financial evidence and representations, that the subcontractor's self-insurance arrangements and indemnification agreements are sufficient to satisfy the requirements of this Contract, and the subcontractor is therefore not required to obtain additional commercial liability insurance naming DHS as an insured party. If it sees fit, DHS may include in this statement any additional conditions designed to ensure that the subcontractor's self-insurance arrangements are comparable to the insurance required of other non-governmental subcontractors. A copy of the Deputy Director's statement shall be an attachment to this Contract or shall be made an attachment to this Contract by amendment and shall be a material provision of this Contract. Nothing in this provision shall be construed to require DHS to consent to any self-insurance arrangements, and DHS may withhold its approval for any reason.

- f. **Indemnification.** Regardless of the type of insurance required by this section, the Local Authority (and where applicable, the subcontractor) agrees to the following indemnification:

- (1) **Indemnification by the Local Authority and Governmental Subcontractors.** If the Local Authority and the Local Authority's subcontractor are governmental entities of the State of Utah, and subject to the Utah Governmental Immunity Act ("the Act"), there is no indemnification required, and the Local Authority, its subcontractor and DHS shall each be responsible for their own actions and defense of any claims or suits to the extent required by the Act. Nothing in this Contract shall be construed as a waiver by any party to this Contract of any rights, limits, protections or defenses provided by the Act nor shall this Contract be construed, with respect to third parties, as a waiver of any governmental

immunity to which a party to this Contract is entitled. If the subcontractor is a not a governmental entity of the State of Utah, this paragraph shall not apply, and the "Indemnification by Non-Governmental Subcontractor" paragraph below shall apply.

- (2) **Indemnification by Non-Governmental Subcontractor:** If the subcontractor is not a governmental entity of the State of Utah, the Local Authority shall ensure its subcontractor agrees to and shall defend, hold harmless and indemnify the State of Utah, DHS/DSAMH and their officers and employees from and against any losses, damages, injuries, liabilities, suits, claims and proceedings arising out of the performance of this Contract, the Local Authority's Subcontract, or which are caused in whole or in part by the subcontractor's acts, failure to act, or negligence of the subcontractor's officers, agents, volunteers or employees except where the claim arises out of the sole negligence of DHS.
- (3) **Definition of the Term "Claim":** As used in these "Indemnification" provisions the term "claim" includes any and all claims, losses, damages, liabilities, judgments, costs, expenses, attorneys' fees and causes of action of every kind or character (including personal injury, death, and damages to property or business interests) arising because of, out of, or in any way connected with the performance of this Contract or with a party's failure to comply with the provisions of this Contract.
- (4) **Defense of Suits Brought Upon Claims:** If the Local Authority uses non-governmental subcontractors it shall require that the non-governmental subcontractor contracts to defend all suits brought upon a claim and pay all costs and expenses, including attorney's fees consistent with the requirements expressed in Subsection 2.f. for non-governmental contractors of DHS. DHS shall be a named third-party beneficiary of such contracts. The contract will include all terms of this paragraph. However, DHS shall have the option to participate in the defense of any such suit in which DHS perceives that its interests are not being protected by the Local Authority or the subcontractor or where the Local Authority or subcontractor believes, asserts, or claims that the claim arises out of the sole negligence of DHS. In the latter situation, the Local Authority and/or subcontractor shall notify DHS within 90 days of receiving notice of the claim against it that the Local Authority or subcontractor believes, asserts or claims that the claim arises out of the sole negligence of DHS. In the event the Local Authority or subcontractor fails to notify DHS within this timeframe, the Local Authority and the subcontractor shall defend and indemnify DHS even if the claim arises out of the sole negligence of DHS. The participation by DHS in the defense of a claim does not relieve the Local Authority and the subcontractor of any obligation pursuant to this Contract. However, if DHS elects to retain independent counsel, DHS shall pay the attorney's fees and costs associated with such counsel except where DHS retains independent counsel due to a claim by the Local Authority or subcontractor that the claim arises out of the sole negligence of DHS. If a finding is later made that the claim did not arise out

of the sole negligence of DHS, the Local Authority and subcontractor shall reimburse DHS for all costs including attorney's fees incurred by DHS.

- (5) **No Subrogation or Contribution:** The Local Authority has no right of subrogation or contribution from the State or DHS for any judgment rendered against the Local Authority or its subcontractor.

The Local Authority shall include a provision in any subcontract for services pursuant to this Contract that the subcontractor shall have no right of subrogation or contribution from the State or DHS for any judgment rendered against the Local Authority or the subcontractor.

- g. **Certificate of Insurance, "Additional Insured" Endorsement, and Evidence of Continued Coverage.** Before signing a contract with a non-governmental subcontractor and before signing this Contract, the Local Authority shall ensure that the non-governmental subcontractor obtains from its general and professional liability insurer(s) and provides to DHS/DSAMH, certificates of insurance and "additional insured" endorsements that indicate that the required coverage is in effect and that the insurer shall give DHS/DSAMH 30 days notice of any modification, cancellation or non-renewal of the policy. On an annual basis and upon request from DHS/DSAMH, the Local Authority shall obtain from its non-governmental subcontractor and shall provide to DHS/DSAMH, evidence that the subcontractor has the insurance coverage required by this Contract. Governmental entities subject to the Act are not required to provide certificates of insurance, "additional insured" endorsements or evidence of continued coverage.
3. **EMERGENCY MANAGEMENT AND BUSINESS CONTINUITY PLAN:** The Local Authority shall use qualified personnel to perform all services in conformity with the requirements of this Contract and generally recognized standards. **The Local Authority's performance shall not be excused by force majeure.** The Local Authority represents that it has identified the critical functions or processes of its business operations essential for providing the services required in this Contract. The Local Authority also represents that it has developed an emergency management and business continuity plan ("plan") that will allow the Local Authority to continue to operate those critical functions or processes during or following short-term or long-term (greater than six weeks) emergencies, periods of declared pandemic, or other disruptions of normal business. The Local Authority further represents that its plan addresses at least the following areas as they pertain to the services Local Authority is providing:
- a. Evacuation procedures;
  - b. Temporary or alternate living arrangements, including arrangements for isolation or quarantine;
  - c. Maintenance, inspection, and replenishment of vital supplies, including food, water, clothing, first aid supplies, and other medical necessities, including client medications, and the supplies necessary for infection control or protection from hazardous materials, etc.;

- d. Communications (with Local Authority staff, appropriate government agencies, and clients' families);
- e. Transportation;
- f. Recovery and maintenance of client records; and
- g. Policies and procedures that:
  - (1) address both leave for, and the recall of, Local Authority's employees unable to work for extended periods due to illness during periods of declared pandemic; and
  - (2) ensure the timely discharge of the Local Authority's financial obligations, including payroll.

In addition, the Local Authority represents that it provides at least annual training for its staff on its plan and it acknowledges that DHS may rely upon this and the other representations of the Local Authority in this paragraph.

The Local Authority shall provide DHS/DSAMH with a copy of its plan upon execution of this Contract. The Local Authority shall evaluate its plan at least annually. Any modifications to the Local Authority's plan shall be provided to DHS/DSAMH within 15 days of the time the modifications are made.

## **SECTION C: LOCAL AUTHORITY'S COMPLIANCE WITH APPLICABLE LAWS**

1. **COMPLIANCE WITH APPLICABLE LAWS.** The Local Authority shall comply with all applicable laws. The term "applicable laws" refers to all federal and state statutes, regulations, and executive orders that apply to the Local Authority's activities or that impose restrictions on the Local Authority's use of federal or state funding or grants. It is the Local Authority's responsibility to obtain legal advice about the laws governing its activities.
2. **CERTIFICATION OF NON-DEBARMENT.** The Local Authority certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Contract by any governmental entity. If the Local Authority cannot so certify, the Local Authority must attach a written explanation and DHS/DSAMH must obtain *prior* written approval for this Contract from the DHS Deputy Director for Support Services. Failure to obtain such prior written approval shall be considered a material breach of this Contract.
3. **HUMAN SUBJECTS RESEARCH:** The Local Authority may not conduct any research involving human subjects or their private data if the subjects are employees of DHS or individuals receiving services (whether direct or contracted) from DHS or individuals

receiving services funded by DHS, unless the Local Authority has obtained prior written approval from the DHS Institutional Review Board (IRB), and from any other federal or state agencies whose approval is required for research on human subjects. Before conducting such research, the Local Authority shall fully comply with any requirements or conditions, including requirements relating to informed consent, imposed by such IRB committees or agencies.

4. **COMPLIANCE WITH LICENSING STANDARDS AND OTHER LAWS:** The Local Authority represents that it currently meets all applicable licensing standards and other requirements of federal and state law, and all applicable ordinances of the city or county in which services or care is provided. The Local Authority shall continue to comply with all such applicable standards, requirements and ordinances during the term of this Contract, and if the Local Authority fails to do so, DHS/DSAMH may terminate this Contract immediately.
5. **COMPLIANCE WITH CODE OF CONDUCT:** The Local Authority shall develop, maintain and enforce a Code of Conduct for the provision of services to its clients which at least includes the elements of the DHS Provider Code of Conduct and is at least as stringent as the DHS Provider Code of Conduct.
6. **PRO-CHILDREN ACT OF 1994:** In accordance with Part C of Public Law 103-227, the "Pro-Children Act of 1994", smoking may not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used regularly for the provision of health, day care, education, or library services to children under the age of 18. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug and alcohol treatment. By signing this Contract, the Local Authority certifies that it will comply with the requirements of this Act.
7. **FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA):**  
The Local Authority shall comply with the FFATA requirements applicable to sub-awardees and shall provide DHS with the following information, updating it as changes occur:
  - a. The Local Authority's Data Universal Numbering System (DUNS) number;
  - b. The names and compensation of the Local Authority's five most highly compensated executives *whenever the Local Authority meets the criteria identified in FFATA for reporting executive compensation data*; and
  - c. The Local Authority's principal place of performance.

Information entered by DHS in the FFATA Sub-award Reporting System (FSRS) can be viewed at the following website: [USAspending.gov](http://USAspending.gov).

8. **RESTRICTIONS ON CONFLICTS OF INTEREST:** The Local Authority shall not enter into any transaction that is improper or gives the appearance of being improper because of a conflict of interest.

a. **Definitions**

- (1) **“Business Entity”** is as defined in Utah Code § 67-16-3.
- (2) **“Conflict of Interest”** means any situation where the Local Authority has economic, social, political, familial, or other interests which interfere with, or have the potential to interfere with, the exercise of the Local Authority’s duties, responsibilities, or judgment in connection with this Contract, or which involve conflicting loyalties to the Local Authority and to another interest. “Conflict of Interest” also includes any violation of the Ethics Act.
- (3) **“Disclosure Statement”** means a written statement provided to DHS/DSAMH by the Local Authority about a Conflict of Interest. “Conflict of Interest Certification” and “Conflict of Interest – Disclosure Statement” forms are available from the DHS/DSAMH Contract Representative or the DHS Bureau of Contract Management (BCM).
- (4) **“Ethics Act”** means the Utah Public Officers’ and Employees’ Ethics Act (Utah Code § 67-16-1 et.seq.).
- (5) **“Local Authority”** includes all "representatives" of the Local Authority.
- (6) **“Related Party”** means:
  - (a) any person related to the Local Authority’s representative by blood or marriage; and
  - (b) all business associates of the Local Authority:
    - (i) who are partners, directors, or officers in the same business entity as the Local Authority;
    - (ii) who have authority to make decisions or establish policies in the same business entity as the Local Authority; or
    - (iii) who directly or indirectly own 10% or more in the same business entity as the Local Authority.
- (7) **“Representative”** means any person or entity acting on behalf of the Local Authority, and includes all employees, owners, partners, directors, officers, board members, subcontractors and agents, as well as any individuals with authority to establish policies or make decisions for the Local Authority. “Volunteers” are not “representatives” and are not required to be included in the Local Authority’s Disclosure Statement, unless they are board members or officers, or are substantially involved in the Local Authority’s decision-making processes.

- (8) **“Volunteer”** means a person who donates services to the Local Authority without compensation, except for expenses incurred (such as meals and travel costs).

b. **Restrictions on Conflicts of Interest.** Transactions involving Conflicts of Interest are prohibited to the extent they are the result of undue influence, or have the potential to result in increased costs, decreased performance, the appearance of impropriety, or any other disadvantage to DHS/DSAMH. Conflicts of Interest can occur in one of three ways:

- (1) **Dual Employment.** Conflicts of interest can occur when a Local Authority’s representative is also employed by the State of Utah or by another of the Local Authority's representatives.
- (2) **Related-Party Transactions.** Conflicts of interest occur when the Local Authority makes payments to a related party using money obtained from DHS/DSAMH through this Contract. Conflicts of interest also occur when transactions, which affect the performance of this Contract, are made between the Local Authority and a related party, whether or not payments are involved.
- (3) **Independent Judgment Impaired.** Conflicts of interest occur when a Local Authority’s representative participates in any transaction on the Local Authority’s behalf and has a significant relationship or shared interest with another party to the transaction, which could affect a representative’s ability or willingness to exercise independent judgment, and which may affect the performance of this Contract.

c. **Compliance with the Ethics Act.** The Local Authority shall comply at all times with the applicable provisions of the Ethics Act.

d. **Conflict of Interest Policies and Internal Review:** The Local Authority shall train its representatives regarding:

- (1) the conflict of interest concept and the certification/disclosure requirements of this Contract; and
- (2) the applicable provisions of the Ethics Act.

The Local Authority shall implement a written policy that requires its representatives to immediately disclose in writing to the Local Authority all existing, potential, and contemplated conflicts of interest as they arise, and to submit an updated disclosure statement annually thereafter. The Local Authority shall maintain the disclosures in the representatives' personnel files. The Local Authority shall also annually review any disclosures and its own operations to reasonably assure DHS/DSAMH that the Local Authority avoids prohibited conflicts of interest.

e. **Disclosing Conflicts of Interest:**

Part I

- (1) **Requirements for Governmental Entities.** Before entering into this Contract or a subcontract related to this Contract, and annually thereafter, the Local Authority and any *governmental* subcontractors shall:
  - (a) submit to DHS/DSAMH a written certification that they maintain a written policy as required above, monitor for compliance with the conflict of interest provisions of this Contract, and reasonably assure DHS/DSAMH that representatives (including any non-governmental subcontractors) with a potential conflict of interest do not:
    - (i) make or influence decisions or set policies that affect this Contract;
    - (ii) monitor the performance of this Contract; or
    - (iii) become involved in or otherwise benefit from the performance of this Contract; and
  - (b) disclose to DHS/DSAMH any conflict of interest that relates to this Contract or the services provided pursuant to this Contract by submitting a Disclosure Statement, and complying with the requirements regarding the continuing duty to disclose these conflicts of interest.
  
- (2) **Requirements for Non-Governmental Subcontractors:** Before entering into any subcontract to perform services covered by this Contract, the Local Authority shall require its non-governmental subcontractor to submit a Disclosure Statement to the Local Authority in which the non-governmental subcontractor discloses any existing or potential conflicts of interest.
  - (a) **For Conflicts of Interest Involving Dual Employment,** the following information is required:
    - (i) the name of the subcontractor's representative engaged in dual employment;
    - (ii) the titles or positions held by the subcontractor's representative engaged in dual employment;
    - (iii) the representative's decision-making or monitoring authority with the employing entities, and how that representative's authority affects this Contract or any subcontract relating to this Contract; and
    - (iv) the measures taken by the subcontractor to avoid potentially adverse effects resulting from the representative's dual employment.
  - (b) **For Conflicts of Interest involving Related-Party Transactions or Impaired Judgment,** the following information is required:

- (i) the name of the subcontractor's representative having the conflict of interest;
  - (ii) the name of the other party to the conflict of interest;
  - (iii) the relationship between the individuals identified in (i) and (ii) above;
  - (iv) the nature and value of the interest (if any) held by the representative in the other business entity;
  - (v) a description of the transaction to which the conflict of interest applies and the dollar amount involved (if any);
  - (vi) the decision-making or monitoring authority of the subcontractor's representative and the party identified in (ii) above, with respect to the applicable transaction or decision;
  - (vii) the potential effect of the conflict of interest on this Contract or any subcontract relating to this contract; and
  - (viii) the measures taken by the subcontractor to avoid potentially adverse effects resulting from the identified parties' relationship.
- (c) If the non-governmental subcontractor has no conflicts of interest, the subcontractor shall so indicate on the Disclosure Statement. By submitting a Disclosure Statement, the subcontractor is certifying to DHS/DSAMH that it has checked its organization and has required its representatives to disclose their conflicts of interest, and that it has disclosed all known Conflicts of Interest to DHS/DSAMH.
- (d) The non-governmental subcontractor shall comply with the requirements regarding the continuing duty to disclose its conflicts of interest.
- (3) **Continuing Duty to Disclose Conflicts of Interest.** The Local Authority and its subcontractors have a continuing duty to immediately process an updated Disclosure Statement. The Local Authority shall require its subcontractors to provide an updated Disclosure Statement to the Local Authority, if at any time during the term of this Contract, they contemplate any transaction involving a conflict of interest, or hire or affiliate with any individual with a potential conflict of interest, or discover any existing conflict of interest, and if that conflict of interest is one that must be disclosed pursuant to this Contract. The Local Authority shall submit to DHS/DSAMH an updated "Conflict of Interest Certification" by May 1 of each year with its Area Plan, containing the same information required by the initial certification.

f. **Monitoring Compliance.**

DHS/DSAMH retains the right to do any of the following if DHS/DSAMH suspects or determines that a conflict of interest may exist:

- (1) Investigate any potential conflict of interest;
- (2) Require further information from the Local Authority or the subcontractor;
- (3) Require specific remedial action; or
- (4) Disapprove identified transactions.

9. **DEFICIT REDUCTION ACT - MEDICAID FRAUD, WASTE AND ABUSE:** The Local Authority shall meet requirements for *Medicaid-specific Federal Assurances*, Section 6032 of the Deficit Reduction Act of 2005 (Employee Education About False Claims Recovery). The Local Authority shall educate its employees, agents, and subcontractors about:

- a. The False Claims Act, 31 United States Code §§3729–3733;
- b. Administrative Remedies For False Claims and Statements, 31 United States Code §§3801–3812;
- c. The Utah False Claims Act, Utah Code § 26-20-1, et seq.;
- d. The Utah Protection of Public Employees Act, Utah Code § 67-21-1, et seq.;
- e. Policies and procedures for detecting and preventing fraud, waste, and abuse;
- f. How to report suspected fraud, waste and abuse of Medicaid funds;
- g. The whistleblower protections afforded employees that report suspected fraud, waste, and abuse of Medicaid funds in good faith; and
- h. The penalties for filing false or fraudulent claims for Medicaid payment.

If the Local Authority maintains an employee handbook, the Local Authority shall include the information described above, and its policies and procedures for detecting and preventing Medicaid fraud, waste, and abuse, in its employee handbook.

Additional information is available on the DHS website.

## **SECTION D: COMPLIANCE MONITORING AND RECORD KEEPING RESPONSIBILITIES**

1. **MONITORING OF PERFORMANCE AND ACCESS TO RECORDS:** DHS shall have the right to monitor the Local Authority's performance pursuant to this Contract, including the Local Authority's expenditure of public funds. Monitoring of the Local Authority's performance shall be at the discretion of DHS. Performance monitoring may include both announced and unannounced visits.

The Local Authority shall allow independent, state and federal auditors or contract reviewers to have access to any records related to this Contract, including all financial records (such as accounting records and supporting documentation) for audit review and inspection.

2. **RECORD-KEEPING AND REPORTING REQUIREMENTS:** The Local Authority shall comply with all record-keeping and reporting requirements of this Contract. The Local Authority shall maintain or shall supervise the maintenance of all records necessary for the proper and efficient operation of the programs covered by this Contract, including records relating to screenings, assessments, the provision of services, administrative costs, and any other records, such as statistical and fiscal records, necessary for complying with the reporting and accountability requirements of this Contract.

3. **RETENTION OF RECORDS:** The Local Authority shall retain all records related to this Contract for at least the following periods of time:

a. **Records Relating to Adult Clients:** The Local Authority shall retain adult client records (including records that support Title XIX reimbursements) for at least six (6) years from the date of last service to the adult client.

b. **Records Relating to Child Clients:** The Local Authority shall retain all records relating to clients under 18 years old (including records that support Title XIX reimbursements) for at least six (6) years from the date of last service to the child client, or until the child client reaches the age of twenty-two (22), whichever period is longest.

c. **Administrative Records:** The Local Authority shall retain all administrative records relating to this Contract (including records that support Title XIX reimbursements) for at least six (6) years after DHS/DSAMH makes the last payment on this Contract.

d. **DHS' Continuing Access to Records:** DHS shall have immediate access to all records relating to this Contract, and the Local Authority shall not limit or interfere with DHS' access rights.

e. **Discontinued Operations:** If the Local Authority discontinues its programs or ceases to provide services under this Contract, the Local Authority shall protect DHS/DSAMH access rights by implementing one of the following options:

(1) Transfer the patient records to a successor agency or entity which has:

(a) entered into a contract with DHS/DSAMH to provide such services formerly provided by the Local Authority; and

(b) agreed to provide DHS with the same access to the records as required under the Local Authority's contract with DHS/DSAMH; or

- (2) Deliver the patient records to an office within the Local Authority under an arrangement by which the Local Authority authorizes DHS to have continuing immediate access to the records.
- f. **Method for Destruction of Client Records:** Client records which may be destroyed pursuant to this Contract shall be shredded or burned to protect client confidentiality. In the case of electronic records, the Local Authority shall use a technique of destroying the records that adequately prevents unauthorized persons from reading or accessing the records.
4. **PROTECTING THE CONFIDENTIALITY OF CLIENT RECORDS:** The Local Authority shall restrict access to client records in accordance with State and federal laws. The Local Authority shall maintain all client records in locked rooms or cases or in password-protected electronic files. The Local Authority shall not use or disclose any client information except as specifically provided by this Contract, as authorized by the client in writing, or as required by law. The Local Authority's representatives shall have access only to those portions of the records directly related to their work assignments.
5. **ACCESS TO THE LOCAL AUTHORITY'S RECORDS:** The Local Authority shall provide DHS with immediate access to any records produced or received by the Local Authority in connection with this Contract.

## **SECTION E: SUBCONTRACTING, CONTRACT MODIFICATIONS, AND DISPUTE RESOLUTION PROCEDURES**

### **1. SUBCONTRACTS:**

- a. **Definition of "Subcontractor":** As used in this Contract, "subcontractor" means an individual or entity that has entered into an agreement with the Local Authority to perform services for which that Local Authority is responsible pursuant to the terms of this Contract. "Subcontractor" also refers to individuals or entities that have entered into agreements with any subcontractor **if** those individuals or entities perform any of the subcontractor's duties pursuant to this Contract.
- b. **Local Authority May Subcontract.** The Local Authority may enter into subcontracts to provide the services required by this Contract. The Local Authority retains full responsibility for contract compliance, whether the services are provided directly or by a subcontractor.
- c. **Local Authority Responsibilities Regarding Subcontracts.** When the Local Authority subcontracts, the Local Authority shall at a minimum:
  - (1) Conduct at least one annual monitoring review. The Local Authority shall specify in its Area Plan how it will monitor their subcontracts.
  - (2) The Local Authority shall include provisions in its subcontracts that require the subcontractors to comply with all:

- (a) provisions of this Contract;
  - (b) procurement statutes and regulations that apply to the Local Authority;
  - (c) provisions identified in Utah Code § 17-43-101 et. seq.;
  - (d) financial regulations and policies that apply to the Local Authority; and,
  - (e) provisions identified in 45 C.F.R. § 92.36, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments".
- (3) The Local Authority shall ensure that its subcontractors comply with the provisions identified in subsection 3 above.
- (4) Before the Local Authority disburses any public funds (for purposes of this Contract, the term "public funds" is as defined in Utah Code §§ 17-43-203 and 303) to a subcontractor for the provision of services or programs, the Local Authority shall obtain the subcontractor's written agreement to all of the following:
- (a) All of the state and federal funds received by the subcontractor will be used for substance abuse or mental health purposes according to state auditor guidelines;
  - (b) The subcontractor's financial and other records relevant to its performance of the services provided to the Local Authority may be examined by the following persons or entities: (1) DHS; (2) DHS/DSAMH; (3) the director of the Local Authority; (4) the county treasurer and county or district attorney, or, if two or more counties jointly provide substance abuse or mental health services; the designated treasurer and the designated legal officer; (5) the county legislative body, and (6) in counties with a county executive that is separate from the county legislative body, the county executive;
  - (c) The county auditor may examine and audit the subcontractor's financial and other records relevant to its performance of the services provided to the Local Authority;
  - (d) The subcontractor will comply with all directives issued by DHS and the State of Utah Department of Health regarding the use and expenditure of state and federal funds received

from those departments (whether directly or indirectly) for the purpose of providing substance abuse and/or mental health programs and services; and

- (e) The subcontractor will obtain an independent audit conducted in accordance with prescribed guidelines.

- 2. **CONTRACT ASSIGNMENT:** The Local Authority may not assign its benefits or obligations pursuant to this Contract to any other entity.
- 3. **CONTRACT AMENDMENTS:** With the exception of the annual Area Plans, the Funding Allocation Letters, and Funding Reduction Letters, the parties may amend this Contract only by a written amendment signed by the parties and approved by the DHS/BCM. The amendment shall be attached to the original signed copy of this Contract.

Annual Area Plans, Funding Allocation Letters, Funding Reduction Letters, and changes in federal or State reporting requirements may be issued or amended as follows:

- a. **Area Plans.** Approved Area Plans may be amended only during the fiscal year for which the Plan is effective. Area Plans shall be considered amended only after all proposed changes to the Plan have been reduced to writing **and** DHS/DSAMH has notified the Local Authority in writing that it approves the same. A copy of both the proposed changes and the approval of DHS/DSAMH shall be attached to the Area Plan being amended.
  - b. **Funding Allocation Letters.** A Funding Allocation Letter signed only by DHS/DSAMH constitutes an amendment to this Contract. DHS/DSAMH may issue a Funding Allocation Letter on its own initiative with or without the consent of the Local Authority or it may issue a Funding Allocation Letter in response to a request from the Local Authority. Funding Allocation Letters shall be signed by DHS/DSAMH and the original sent to the Local Authority.
  - c. **Funding Reduction Letters.** A Funding Reduction Letter signed only by DHS/DSAMH constitutes an amendment to this Contract. DHS/DSAMH may issue a Funding Reduction Letter on its own initiative with or without the consent of the Local Authority. Funding Reduction Letters shall be signed by DHS/DSAMH and the original sent to the Local Authority.
  - d. **Financial Reporting Requirements.** If federal or State financial reporting requirements change during the course of the contract period, DHS/DSAMH may advise the Local Authority of the changes via written notice signed by an authorized representative of DHS/DSAMH. The notice shall specifically identify the new reporting requirement(s) and the effective date of the same. The Local Authority shall comply with the notice issued.
- 4. **REMEDIES:** If DHS/DSAMH determines that the Local Authority or a subcontractor has failed to comply with any of the provisions of this Contract, DHS/DSAMH may do any of the following:

- a. **Disallowance of Local Authority Expenditures:** DHS/DSAMH may disallow the Local Authority's and the subcontractor's expenditures and adjust its payments to the Local Authority by deducting such disallowed expenditures.
- b. **Payment Withholding.** DHS/DSAMH may withhold funds from the Local Authority for contract non-compliance, failure to comply with DHS/DSAMH directives, misuse of public funds or monies, or failure to comply with state and federal law or policy. If an audit finding or judicial determination is made that the Local Authority or its subcontractor misused public funds, DHS/DSAMH may also withhold funds otherwise allocated to the Local Authority to cover the costs of any audits, attorney's fees and other expenses. DHS/DSAMH shall give the Local Authority prior written notice that the payment(s) will be withheld. The notice shall specify the reasons for such withholding. DHS/DSAMH shall inform the Local Authority whether any amounts withheld may be released, and if so, the actions that the Local Authority must take to bring about the release of any amounts withheld.
- c. **Overpayments.** If an independent CPA audit or DHS review determines that the payments made by DHS/DSAMH to the Local Authority were incorrectly paid or were based on incorrect information from the Local Authority, DHS/DSAMH may adjust the Local Authority's payments for the remainder of the contract period or for any future contract.
- d. **Default or Underutilization of Funds.** If the Local Authority defaults in any manner in the performance of any obligation under this Contract, or if DHS/DSAMH determines that the Local Authority is significantly underutilizing funds, DHS/DSAMH may, at its option, reduce funding by issuing a Funding Reduction Letter.
- e. **Repayments.** Upon written request by DHS/DSAMH, any overpayments, disallowed expenditures, excess payments or questioned costs are immediately due and payable by the Local Authority. DHS/DSAMH shall have the right to withhold any or all subsequent payments until DHS/DSAMH fully recoups these funds.
- f. **Legal Remedies.** The parties may avail themselves of all remedies allowed by state and federal law.
- g. **Corrective Action.** The Local Authority shall comply with the terms of any corrective action plan required by DHS/DSAMH.
- h. **Administrative Review.** Prior to pursuing other legal remedies, the Local Authority shall appeal any contract dispute with the DHS/DSAMH by filing a written appeal with the DHS Deputy Director for Support Services within thirty (30) days of the disputed DHS/DSAMH action or decision. The Local Authority's written appeal shall identify the Local Authority, the contract number, the disputed issue, pertinent contract provisions or legal authorities, and the contact person for the Local Authority. The Local Authority shall also provide a copy of the written appeal to the Director of DHS/DSAMH.

The DHS Deputy Director shall have thirty (30) days to issue DHS' written response to the Local Authority's appeal. The Deputy Director may designate another DHS employee to review and respond to the Local Authority's appeal.

5. **CONTRACT TERMINATION:**

- a. **Right to Terminate Upon Notice.** Either party may terminate this Contract, with or without cause, by giving the other party at least thirty (30) days written notice.
- b. **Immediate Termination.** If the Local Authority's violation of this Contract creates or is likely to create a risk of harm to the clients served pursuant to this Contract, or if any other provision of this Contract allows DHS/DSAMH to terminate the Contract immediately, DHS/DSAMH may terminate this Contract immediately by notifying the Local Authority in writing.
- c. **Cooperative Efforts to Protect the Clients.** If either party elects to terminate this Contract, both parties will use their best efforts to provide for uninterrupted client services.
- d. **Processing Payments and Records Access After Termination.** Upon termination of the Contract, the parties shall use the financial and accounting arrangements set forth in this Contract to process the accounts and payments for any services that the Local Authority rendered before the termination. The Local Authority shall comply with the provisions of this Contract relating to the Local Authority's record-keeping responsibilities, and shall ensure that the Local Authority's staff properly maintains all records. **These provisions shall survive the termination of this Contract.**

6. **ATTORNEYS' FEES AND COSTS:** If either party seeks to enforce this Contract upon a breach by the other party, or if one party seeks to defend itself against liability arising from the negligence of the other party, the prevailing party shall receive from the unsuccessful party all court costs and its reasonable attorneys' fees.

7. **GRIEVANCE PROCEDURES FOR CLIENTS AND APPLICANTS:** The Local Authority shall establish a grievance and appeal system for its clients and applicants of the services and programs covered by this Contract, and shall notify each client and applicant in writing that:

- a. Clients and applicants have the right to present the Local Authority with their grievances including but not limited to:
  - (1) denial of services pursuant to this Contract;
  - (2) exclusion from a program pursuant to this Contract; or
  - (3) inadequacies or inequities in the programs and services provided pursuant to this Contract.

- b. The Local Authority shall establish and maintain a tracking system identifying the nature and outcome of each grievance.

## **PART II: SCOPE OF WORK AND SPECIAL CONDITIONS**

### **MENTAL HEALTH**

1. **DHS/DSAMH Division Directives:** The Local Authority shall comply with the DHS/DSAMH Division Directives (hereinafter referred to as the "division directives").
2. **Area Plan:** The Local Authority shall prepare and submit an Area Plan, which has been reviewed and approved in writing by the Local Authority's governing body.
  - a. The Area Plan shall be submitted annually by May 1 to DHS/DSAMH.
  - b. The division directives will provide the Local Authority with the minimum requirements of the Area Plan.
  - c. DHS/DSAMH shall review the Area Plan to determine if it meets all applicable requirements, and will notify the Local Authority of any deficiencies in its Area Plan.
  - d. The Local Authority must resolve all identified deficiencies before DHS/DSAMH will approve the Area Plan.
  - e. Upon approval of the Area Plan, DHS/DSAMH will issue a funding allocation letter.
  - f. The Local Authority shall comply with the provisions of its approved Area Plan for the corresponding fiscal year.
3. **Treatment Service Requirements:** Treatment service requirements for the Local Authority are addressed in state statute, Administrative Rule, division directives and applicable federal grants. The Local Authority is required to provide the services and comply with all requirements identified as follows:
  - a. State statute, including but not limited to,
    - i. Title 17, Chapter 43
    - ii. Title 62A, Chapter 15
  - b. Administrative Rule found in Utah Administrative Code R523 and R525;
  - c. The Mental Health Block Grant requirements; and
  - d. Division directives.
  - e. Treatment services provided pursuant to this Contract shall be in compliance with the following federal and state Practice Guidelines:
    - i. Federal: "The 10 Fundamental Components of Recovery", as found at <http://mentalhealth.samhsa.gov/publications/allpubs/sma05-4129>.

- ii. State: The current adopted Preferred Practice Guidelines, found at:  
<http://www.dsamh.utah.gov/practiceguidelines.htm>.

4. **Block Grant Fund Limitations:** Mental Health Block Grant funds can only be expended for non-Medicaid eligible services. Mental Health Block Grant funds cannot be used for: inpatient services, purchasing or improving land, construction or remodeling facilities, purchasing major medical equipment, or as match for federal funds.
5. **Program Qualifications:** The Local Authority shall maintain documentation that each program providing services pursuant to this Contract is in compliance with State and local zoning ordinances, license requirements, building codes, fire prevention requirements, and health codes.
6. **Staff Qualifications:** The Local Authority shall maintain documentation that each individual providing services pursuant to this Contract is currently licensed as required by Utah Code § 58.
7. **Data Collection and Submission Requirements:**
  - a. The Local Authority must submit client-level service, treatment and outcome data for all clients receiving services in publicly funded facilities regardless of a client's funding source.
  - b. Data submissions must comply with the time lines identified in the division directives and comply with the Mental Health Event (MHE) data set specifications. Data submitted to the DHS/DSAMH is the official service record for the provider and must be accurate. Data submitted will be periodically reviewed for accuracy and consistency with the provider's clinical record. Users authorized by the Local Authority or its designated agent can download the MHE data specifications from the DHS/DSAMH Substance Abuse & Mental Health Information System (SAMHIS) website. These specifications are updated annually.
  - c. The Local Authority must comply with the client-level outcome reporting requirements as listed in the division directives and updated annually.
  - d. The Local Authority is responsible for the timeliness and accuracy of the data submitted to the DHS/DSAMH. Provider data can be downloaded for review and reconciliation. Corrections can be submitted to SAMHIS throughout the fiscal year. Data reporting will end after the fourth quarter reporting deadline for the applicable fiscal year. Any data modified for the prior fiscal year after this deadline will not be reflected in the DHS/DSAMH year-end reporting, scorecards, or annual report. Official year-end reporting will reflect corrections made within the fourth quarter reporting deadline, or as prescribed in writing by DHS/DSAMH, for any given fiscal year.

8. **Performance Measures and Outcomes:**

- a. The specific performance measures and outcomes will be defined in the division directives.
- b. DHS/DSAMH will identify in the division directives which specific performance measures and outcomes will be used to evaluate the performance of the Local Authority.
- c. The Local Authority shall meet or exceed the target or range of acceptable performance measures and outcomes identified in the division directives.

9. **Client Records:** The Local Authority shall maintain complete and accurate records for all clients served. The record will document services provided for each client as identified in the division directives.

- a. The documentation shall be organized, clear, current, and legible.
- b. Client records shall be updated and filed within one week of each service activity.

## PART III: CONTRACT FUNDING, BILLING AND PAYMENT INFORMATION

### 1. FUNDING FOR THE LOCAL AUTHORITY:

- a. **Funding.** The Local Authority's funding shall be determined annually for each fiscal year of the contract period and may vary from year to year. Payments to the Local Authority in any given fiscal year shall not exceed the maximum amount of funding allocated to the Local Authority for that fiscal year. The Local Authority shall be notified of its annual funding allocation in a Funding Allocation letter. If the Local Authority fails to expend the full amount of its annual funding allocation by June 30<sup>th</sup> of the fiscal year for which the allocation was made, the unexpended portion of the allocation **shall lapse** and the Local Authority shall have no further claim to it.

The Local Authority's receipt of its annual funding allocation letter is conditioned upon the Local Authority having an *approved* Area Plan in accordance with Utah Code 62A-15-103 et. seq. for the corresponding fiscal year on file with DHS/DSAMH. If the Local Authority does not have an approved Area Plan on file with DHS/DSAMH at the commencement of any fiscal year covered by this contract period, the funding allocation letter will be withheld and DHS/DSAMH may withhold and/or deny reimbursement for services provided by the Local Authority during that fiscal year until such time as the Local Authority's Area Plan may be approved.

- b. **Allowable Fund Balances.** DHS/DSAMH recognizes that if the Local Authority is a statutorily-created local mental health authority or local substance abuse authority, the Local Authority may need to maintain a fund balance.
- c. **Additional Funding.** On occasion additional funds may become available. Should additional funding become available during the term of this Contract, the amount of additional funding allocated to the Local Authority will be addressed in the funding allocation letter. Any requirements or restrictions attached to the additional funding shall require an amendment to the Area Plan or this Contract.
- d. **Funding Sources.** DHS/DSAMH will notify the Local Authority of the sources of the funds making up its annual funding allocation letter.
- e. **Reduction of Funds.** If an order or action by the Legislature, the Governor, or the DHS Executive Director, or a federal or state mandate reduces the amount of funding to DHS/DSAMH, DHS/DSAMH may immediately terminate this Contract or may immediately reduce the amount to be paid by DHS/DSAMH to the Local Authority.

If DHS/DSAMH reduces funding, the Local Authority may reduce the services provided pursuant to this Contract only after submitting a proposed amendment to its Area Plan and receiving written approval of the proposed amendment from DHS/DSAMH.

2. **BILLS FROM THE LOCAL AUTHORITY:** To obtain reimbursement for the services provided pursuant to this Contract, the Local Authority shall submit to DHS/DSAMH a bill for authorized services. The Local Authority shall bill DHS/DSAMH only for costs allowable under federal and DHS cost principles. The Local Authority shall maintain records that adequately support that such costs were incurred and allowed. All of the Local Authority's bills for authorized services shall contain the following information:
- a. A breakdown of the billing amount by program category and funding source(s) as those categories and sources are identified in the DHS/DSAMH funding allocation letter; and,
  - b. A statement certifying that the costs submitted for reimbursement were necessary, reasonable, allowable, and actually incurred by the Local Authority in providing the services required by this Contract.

3. **BILLING DEADLINES:** The Local Authority shall submit bills for services on a monthly basis. All bills for services rendered during a given billing period shall be submitted within thirty (30) days after the end of that billing period. All final bills pursuant to the Contract must be received by DHS/DSAMH within thirty (30) days of termination of the Contract. If the Local Authority fails to meet these deadlines, DHS/DSAMH may deny payment for such delayed bills or claims for services.

The Local Authority shall submit all bills for services performed on or before June 30<sup>th</sup> of a given fiscal year but no later than July 20<sup>th</sup> of the following fiscal year. DHS/DSAMH may delay or deny payment for services performed in a given fiscal year if it receives the Local Authority's bill for those services later than July 20<sup>th</sup> of the following fiscal year.

DHS/DSAMH shall pay the submitted bills that comply with all contract requirements within thirty (30) days.

4. **UNIFORM BILLING PRACTICES:** Local Authority guarantees that the amounts it charges for services to clients pursuant to this Contract shall not be higher than the amounts the Local Authority charges others for comparable services.

## PART IV: COST ACCOUNTING PRINCIPLES AND FINANCIAL REPORTING REQUIREMENTS

### SECTION A: DEFINITIONS

The following definitions are provided for the convenience of the Contractor and so that the Contractor may comply with the DHS reporting requirements:

1. **"AICPA"** means American Institute of Certified Public Accountants.
2. **"Audit"** means an examination that:
  - a. Analyzes the accounts of all officers of the entity having responsibility for the care, management, collection, or disbursement of moneys belonging to it or appropriated by law or otherwise acquired for its use or benefit;
  - b. Is performed in accordance with generally accepted government auditing standards ("GAGAS"); and
  - c. Conforms to the uniform classification of accounts established or approved by the state auditor or any other classification of accounts established by any federal government agency.
3. **"Audit Report"** includes:
  - a. The financial reports presented in conformity with generally accepted accounting principles ("GAAP");
  - b. The auditor's opinion on the financial reports;
  - c. A statement by the auditor expressing positive assurance of compliance with state fiscal laws identified by the state auditor;
  - d. A copy of the auditor's letter to management that identifies any material weakness in internal controls discovered by the auditor and other financial issues related to the expenditure of funds received from federal, state, or local governments to be considered by management; and
  - e. Management's response to the specific recommendations.
4. **"Compilation"** means information presented in the form of a financial report prepared in conformity with GAAP (except that a cash basis accounting method is acceptable) that is the representation of management without the accountant undertaking to express any assurances on the financial report.

5. **"Federal Clearinghouse"** means the federal clearinghouse designated in OMB Circular A-133.
6. **"Federal Funds"** is as defined in OMB Circular A-133.
7. **"Financial Reports"** include an audit, a review, a compilation, a statement of functional expenses, a balance sheet, an income statement, a statement of cash flows, or the preparer's notes to the Financial Reports.
8. **"GAAP"** means Generally Accepted Accounting Principles, a combination of authoritative accounting principles, standards and procedures (set by policy boards).
9. **"GAAS"** means Generally Accepted Auditing Standards, issued by the AICPA.
10. **"GAS/GAGAS"** means Government Auditing Standards, issued by the Comptroller General of the United States (also known as "Yellow Book" standards). GAS is often referred to as Generally Accepted Government Auditing Standards ("GAGAS"). GAGAS incorporates the generally accepted standards issued by the AICPA.
11. **"Government Funds"** means financial assistance that a contractor receives from a combination of government sources, including federal awarding agencies, state appropriations and other local governments. All of the funds paid to the Local Authority under this Contract are considered "Government Funds" for purposes of determining the Local Authority's financial reporting requirements.
12. **"Management Letter"** means the auditor's notes and recommendations to the Local Authority's management personnel subsequent to a fiscal audit.
13. **"OMB"** means the federal Executive Office of the President, Office of Management and Budget.
14. **"OMB Circular"** means a publication issued by the OMB that sets forth federal cost accounting and auditing requirements.
15. **"Pass-Through Entity"** means an entity that receives federal funds and then passes those funds through to subrecipients.
16. **"Program-Specific Audit"** means an audit of one specific federal program, using GAGAS standards, as described in OMB Circular A-133.200(c) and A-133.235.
17. **"Questioned Costs"** means costs that are questioned by the auditor because of audit findings, including but not limited to findings:
  - a. Which result from a violation or possible violation of a provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of State or federal funds, including funds used to match federal funds;

- b. Where the costs, at the time of the audit, are not supported by adequate documentation; or
  - c. Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.
18. **"Reporting Package"** means the auditor's package of financial reports as defined in OMB Circular A-133, and includes Financial Reports and Schedule of Expenditures of Government Funds, Summary Schedule of prior audit findings, auditor's report(s), and corrective action plan.
19. **"Review"** means performing inquiry and analytical procedures that provide the accountant with a reasonable basis for expressing limited assurance that there are no material modifications that should be made to the financial reports for them to be in conformity with generally accepted accounting principles.
20. **"Single Audit"** means an audit using GAGAS standards, as described in OMB Circular A-133.500, which includes both the Local Authority's financial reports and its federal awards.
21. **"Statement of Functional Expenses"** means a breakdown of administrative expenses and expenses attributed to actual program services on a program-by-program basis.
22. **"Subrecipient"** is as defined in OMB Circular A-133.
23. **"SULCAG"** means the State of Utah Legal Compliance Audit Guide issued by the State Auditor's Office.
24. **"Summary Schedule"** means a summary listing of all Audit Findings reported in the prior annual audit, and includes the Summary Schedule reported in the prior annual audit, except Audit Findings listed as corrected.

## **SECTION B: COST PRINCIPLES AND ACCOUNTING REQUIREMENTS**

1. **APPLICABLE COST PRINCIPLES:** The Local Authority shall comply with the federal cost accounting principles applicable to the Local Authority's type of business organization regardless of the source of contract funding. Federal cost accounting principles determine allowable costs in DHS contracts as described in circulars published by the OMB, including, but not limited to, OMB Circulars A-87 and A-122. 'For-profit' organizations are required to follow the federal cost accounting principles for 'non-profit' organizations. The Local Authority shall also comply with established DHS cost accounting principles. A link to the DHS cost accounting principles may be found on the DHS/DSAMH website at <http://www.dsamh.utah.gov/ct.htm>.
2. **LOCAL AUTHORITY'S COST ACCOUNTING SYSTEM:** Local Authority shall maintain a financial and cost accounting system in accordance with GAAP, issued by the AICPA; or "Governmental GAAP," issued by the United States Governmental Accounting Standards Board. At a minimum, the Local Authority's accounting system shall provide for

a General Ledger, and cost accounting records adequate to assure that costs incurred under this Contract are reasonable, allowable, allocable to Contract objectives, and separate from costs associated with other business activities of the Local Authority.

3. **REQUIRED DOCUMENTATION:** The Local Authority shall ensure that all program expenditures and revenues are supported by reasonable documentation, including itemized vouchers, invoices, and receipts. The Local Authority shall store and file required documentation in a systematic and consistent manner. The Local Authority shall maintain all such documentation until six years after all audits initiated by federal and state auditors are completed, or for six years from the date of termination of this Contract, whichever is longer.

## **SECTION C: FINANCIAL REPORTING REQUIREMENTS**

### **1. REPORTING REQUIREMENTS**

- a. **Type of Financial Report Required.** Whether or not a Local Authority is required to obtain and submit an annual audit or other financial report is determined by the Local Authority's entity type and the amount and source of its funds, revenues and/or expenditures during a given year.
- b. **Compliance with Applicable Federal and State Requirements.** The Local Authority shall comply with all applicable federal and state laws and requirements regarding financial reporting set forth in:
  - (1) OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", published by the federal government;
  - (2) Utah Code § 51-2a-101 et. seq.; and
  - (3) The SULCAG issued by the State Auditor's Office.

A summary of these reporting requirements is provided in Table 1 below.

- c. **Additional State Audit Requirements.** Pursuant to Utah Code § 62A-15-110, the Local Authority shall also:
  - (1) Ensure that audits of the Local Authority and its subcontractor's programs and services are conducted by an independent auditor pursuant to Title 51, Chapter 2a of the Utah Code, "Accounting Reports from Political Subdivisions, Interlocal Organizations and Other Local Entities Act".
  - (2) Comply with guidelines and procedures prescribed by DHS/DSAMH in accordance with those formulated by the state auditor pursuant to Utah Code § 67-3-1, for auditing the compensation and expenses of officers, directors, and specified employees of the Local Authority's subcontractor to assure no personal benefit is being gained from travel and other expenses.

- (3) Allow DHS/DSAMH to prescribe specific items to be addressed by the Local Authority and/or its subcontractor's audit based on particular needs and concerns DHS/DSAMH has about the Local Authority or its subcontractor.
- (4) Invite all funding partners to the Local Authority's and its subcontractor's pre- and exit audit conferences.
- (5) Ensure that each member of the Local Authority annually certifies that the member has received and reviewed the independent audit and has participated in a formal interview with the executive officers of the Local Authority's subcontractor.
- (6) Ensure all audit reports by state or county persons or entities concerning the Local Authority or its subcontractor shall be provided to the executive director of DHS, the Local Authority, and members of the subcontractor's governing board.

d. **Compliance with Applicable DHS Financial Reporting Requirements:** The Local Authority shall comply with all applicable DHS financial reporting requirements of this Contract as set forth in Table 2 below.

2. **SUBMISSION OF REQUIRED FINANCIAL REPORTS:**

- a. **Filing Deadlines:** Where the Local Authority is required to submit federal and State financial reports, the Local Authority shall be bound by the submission deadlines stated in OMB Circular A-133 and Utah Code § 51-2a-101 et. seq.

Where the Local Authority is required to submit financial reports to DHS pursuant to this Contract, the Local Authority shall be bound by the applicable submission deadline stated in Table 2 below.

- b. **Extensions:** If the Local Authority needs an extension to file any federal reports, the Local Authority must contact the Federal Clearinghouse or federal awarding agencies. If the Local Authority needs an extension to file any State reports, the Local Authority must contact the State Auditor's Office.

If the Local Authority needs an extension to file any report with DHS, the Local Authority may request an extension by contacting the BCM Financial Analyst at the address identified in the paragraph below.

- c. Addresses: The Local Authority shall submit all required federal and State financial reports to the entities identified in the applicable law. Where the Local Authority is required to submit financial reports to DHS, the Local Authority shall send the required reports to the address below:

**Department of Human Services**  
**Bureau of Contract Management**  
**Attention: Financial Analyst**  
**195 North 1950 West**  
**Salt Lake City, UT 84116**

**Table 1: Federal and State Annual Financial Reporting Requirements**

<p><b>FEDERAL REPORTING REQUIREMENTS</b> (OMB Circular A-133)</p>	<p><b>UTAH STATE REPORTING REQUIREMENTS</b> (Utah Code § 51-2a-101 et. seq.)</p>
<p><b>TYPE OF ENTITY</b> Government Agency OR Non-Profit Subrecipient</p>	<p><b>TYPE OF ENTITY</b> Government Agency OR Non-Profit Organization that Receives 50% OR MORE of Its Funding from Government Funds<sup>1</sup></p>
<p><b>SUBMISSION DEADLINE</b></p>	<p><b>SUBMISSION DEADLINE</b></p>
<p><b>\$500,000 OR MORE expended in federal funds:</b> Single Audit or Program Specific Audit, using GAGAS standards (OMB Circular A-133.200, A-133.235, and A-133.500) AND the following financial reports:</p> <ol style="list-style-type: none"> <li>1. Data Collection Form, as described in OMB Circular A-133.320 (a), (b) and (d), -- to Federal Clearinghouse.</li> <li>2. Reporting Package -- to:                             <ol style="list-style-type: none"> <li>(a) Federal Clearinghouse; and</li> <li>(b) Each federal awarding agency - if audit disclosed Audit Findings or reported the status of any Audit Findings in the Summary Schedule. (OMB Circular A-133.320 (c) and (d))</li> </ol> </li> <li>3. Submission by Subrecipients:                             <ol style="list-style-type: none"> <li>(a) "Reporting Package" to each Pass-Through Entity when Audit Findings were disclosed relating to federal awards;</li> <li>(b) "Written Notification" to each Pass-Through Entity when no Audit Findings were disclosed and a Reporting Package was not required. (OMB Circular A-133.320(e)(1) and (e)(2))</li> </ol> </li> </ol> <p><b>LESS THAN \$500,000 expended in federal funds:</b> No audit required but records must be available for review or audit per OMB Circular A-133.200(d).</p>	<p><b>\$500,000 OR MORE expended in federal funds:</b></p> <ol style="list-style-type: none"> <li>1. Copy of the entire <u>Single Audit or Program Specific Audit</u>.</li> <li>2. The auditor's management letter, if the Single Audit or Program Audit report disclosed any Audit Findings.</li> </ol> <p><b>LESS THAN \$500,000 expended in federal funds, but \$350,000 OR MORE in total revenues or expenditures:</b></p> <ol style="list-style-type: none"> <li>1. CPA Audit performed in accordance with GAGAS.</li> <li>2. The auditor's management letter, if the GAGAS report disclosed any Audit Findings.</li> </ol> <p><b>LESS THAN \$350,000, but \$200,000 OR MORE in total revenues or expenditures:</b> Unaudited CPA Review.</p> <p><b>LESS THAN \$200,000 but \$100,000 OR MORE in total revenues or expenditures:</b> Unaudited CPA Compilation.</p> <p><b>LESS THAN \$100,000 in total revenues or expenditures:</b> Financial information on the form approved by the State Auditor.</p>
<p>Thirty (30) days after the Contractor receives the auditor's reports; or nine months after the end of the fiscal year audited, whichever occurs first</p>	<p>Within six (6) months after the end of the Contractor's fiscal year.</p>

<sup>1</sup> There are no reporting or auditing requirements to the State Auditor's Office for Non-Profit Organizations that receive Less Than 50% of their total funding from Government Funds, regardless of the amount of funding.

**Table 2: DHS Annual Financial Reporting Requirements**

TYPE OF ENTITY <sup>2</sup>				SUBMISSION DEADLINES
Government Agencies and Non-Profit Subrecipients with \$500,000 OR MORE Expended in Federal Funds	Government Agency OR Non-Profit Organization that Receives 50% OR MORE of Its Total Funding from Government Funds	Non-Profit Organization that receives LESS THAN 50% of Its Total Funding from Government Funds OR For-Profit Organization	Foreign Organization	
<p>A copy of the entire Single Audit or Program Specific Audit prepared to meet the Contractor's federal reporting requirement including:</p> <ul style="list-style-type: none"> <li>a. The Reporting Package - if audit disclosed Audit Findings or reported the status of any prior Audit Findings in the Summary Schedule;</li> <li>b. The auditor's Management Letter if one was issued; and</li> <li>c. For Non-profit Subrecipients, the Statement of Functional Expenses.</li> </ul>	<p>A copy of the entire report prepared to meet the Contractor's Utah State reporting requirements and:</p> <ul style="list-style-type: none"> <li>a. The auditor's Management Letter if one was issued; and</li> <li>b. A Statement of Functional Expenses.</li> </ul>	<p><b>\$350,000 or MORE received from DHS:</b></p> <ul style="list-style-type: none"> <li>1. A CPA Audit performed in accordance with GAGAS.</li> <li>2. The auditor's Management Letter, if the audit report disclosed any Audit Findings.</li> <li>3. Statement of Functional Expenses.</li> </ul> <p><b>LESS THAN \$350,000 but \$200,000 OR MORE received from DHS:</b></p> <p>An unaudited CPA Review, including a Statement of Functional Expenses.</p> <p><b>LESS THAN \$200,000 but \$100,000 OR MORE received from DHS:</b></p> <p>An unaudited CPA Compilation, including a Statement of Functional Expenses.</p> <p><b>LESS THAN \$100,000 but \$25,000 OR MORE received from DHS:</b></p> <p>A basic Financial Report with a balance sheet and an income/expense statement.</p> <p><b>LESS THAN \$25,000 received from DHS:</b></p> <p>No Requirements.</p>	<p>1. The financial reports of foreign organizations located (organizations located outside the State of Utah) shall be accepted as prepared to meet its federal and/or domestic state financial reporting requirements.</p> <p>2. If the foreign organization has a local subsidiary, division, or unit in the State of Utah, the organization shall also submit a Statement of Functional Expenses for the local subsidiary, division or unit in addition to the parent organization's financial report.</p>	<p>The deadline for submission of the Single Audit or Program Specific Audit when required is thirty (30) days after Contractor receives the auditor's reports, or nine (9) months after end of fiscal year audited, whichever occurs first.</p> <p>The submission deadline for all other types of financial reports, including other types of audits, is within six (6) months after the end of Contractor's fiscal year.</p>

<sup>2</sup> There are no financial reporting requirements to DHS for Sole Proprietors, Limited Liability Company (LLC) Sole Proprietors, or LLC Husband and Wife Partnerships.

## PART V: COMMONLY APPLICABLE LAWS

### SECTION A: COMPLIANCE WITH ADMINISTRATIVE GRANTS

The Local Authority is bound by federal law, which establishes fiscal and administrative rules applicable to entities that receive federal grants. These rules are published in OMB Circular A-110 and in the OMB Common Rule, which is codified in 45 C.F.R. Part 92 (1999) and 45 C.F.R. Part 74.

### SECTION B: COMPLIANCE WITH STATE AND FEDERAL LAWS

The Local Authority is required to comply with all anti-discrimination and drug-free workplace laws, and all laws governing research involving human subjects. When the Local Authority receives state or federal funds pursuant to this Contract, certain state and federal requirements also apply. The Local Authority shall comply with these laws and regulations to the extent they apply to the subject matter of this Contract and are required by the amount of state and federal funds involved in this Contract.

DHS/DSAMH provides Table 3, "Federal and State Laws," as a reference guide to various laws and requirements. The information contained in this table is not exhaustive and the Local Authority understands that it is obligated to seek independent legal advice in these matters.

**Table 3: FEDERAL AND STATE LAWS**

Description of Act	Applicable Federal Law	Applicable State Law
<b>Discrimination and Employment Related Laws</b>		
Age Discrimination Act of 1975	42 U.S.C. §§ 6101-6107; 45 C.F.R. Part 91	
Americans with Disabilities Act	42 U.S.C. § 12101 <i>et seq.</i> ; 28 C.F.R. Part 35, Part 39	
Civil Rights Act of 1964 as amended, Title VI	45 C.F.R. Part 80 42 U.S.C. § 2000d <i>et seq.</i>	
Civil Rights Act of 1964, Title VII	42 U.S.C. § 2000e <i>et seq.</i>	
Contract Work Hours and Safety Standards Act	40 U.S.C. §§ 3701-3704; 29 C.F.R. Part 5	
Copeland Anti-Kickback Act	45 C.F.R. 2543.82, 18 U.S.C. § 874, 29 C.F.R. Part 3	
Davis-Bacon Act	40 U.S.C. § 3142; 29 C.F.R. Part 5	
Drug-Free Workplace Requirements	41 U.S.C. § 701 through 707, Drug Free Workplace Act of 1988	Utah Code § 34-41-101 <i>et seq.</i> ; Utah Code § 34-38-1 <i>et seq.</i> ; Utah Code § 67-19-36 <i>et seq.</i> ; Utah Administrative Code, R477-14-1 <i>et seq.</i>
Education Amendments of 1972, Title IX	20 U.S.C. § 1681 <i>et seq.</i> ; 45 C.F.R. Part 86	
Employment Eligibility Verification	8 U.S.C. § 1324a	

Description of Act	Applicable Federal Law	Applicable State Law
Equal Employment Opportunity	Exec. Order No. 11246 (1965), as amended by Exec. Order No. 11375; 41 C.F.R. Part 60	
Equal Pay Act	29 U.S.C. § 206(d)	
Fair Labor Standards Act	29 U.S.C. § 201 <i>et seq.</i>	
Immigration Control and Reform Act	8 U.S.C. § 1324	
Protection and Advocacy for Individuals with Mental Illness Act	42 U.S.C. § 10801 <i>et seq.</i>	
Public Health Service Act, Section 522	45 C.F.R. Part 84.53	
Public Health Service Act, Section 526	45 C.F.R. Part 84.53	
Rehabilitation Act of 1973, as amended, Section 504	29 U.S.C. § 794; 45 C.F.R. Part 84	
Utah Antidiscrimination Act -- (Includes the prohibition of unlawful harassment)		Utah Code § 34A-5-101, <i>et seq.</i>  (See also Utah Executive Order March 17, 1993, which prohibits sexual harassment of state employees and employees of public and higher education)
Utah Civil Rights Act		Utah Code § 13-7-1 <i>et seq.</i>
Utah Occupational Safety and Health Act		Utah Code § 34A-6-101, <i>et seq.</i>
<b>Property Laws</b>		
Energy Policy and Conservation Act	42 U.S.C. § 6322	
Federal Clean Air Act	42 U.S.C. § 7401 <i>et seq.</i>	
Federal Water Pollution Control Act	33 U.S.C. § 1251 <i>et seq.</i>	
Flood Disaster Act of 1973 and other flood hazard provisions	42 U.S.C. § 4106	
National Environmental Policy Act of 1969 ("NEPA")	42 U.S.C. § 4321 <i>et seq.</i> ; 40 C.F.R. Part 1500 <i>et seq.</i>	
National Historic Preservation Act ("NHPA") of 1966	16 U.S.C. § 470, <i>et seq.</i> ; 36 C.F.R. Part 800, <i>et seq.</i>	
Pro-Children Act of 1994	20 U.S.C. § 6081, <i>et seq.</i>	
Utah Clean Air Act		Utah Code § 26-38-1, <i>et seq.</i>
<b>Medicaid and Utah False Claims Reporting Laws</b>		
Civil False Claims Act	31 U.S.C. § 3729-3733 and Chapter 38	
Deficit Reduction Act of 2005	Public L. 109-171 (2006)	
Utah False Claims Act		Utah Code § 26-20-1 <i>et seq.</i>
Utah Protection of Public Employees Act		Utah Code § 67-21-1 <i>et seq.</i>
<b>Miscellaneous Laws</b>		
Abuse Reporting Requirements		Utah Code § 62A-4a-403; Utah Code § 62A-3-305.
Byrd Anti Lobbying Amendment	31 U.S.C. § 1352; 45 C.F.R. Part 93	
Debarment and Suspension	45 C.F.R. Part 76; Exec. Order No. 12549; Exec. Order No. 12689	

Description of Act	Applicable Federal Law	Applicable State Law
Ethics Acts		Utah Code § 67-16-7(2) and § 10-3-1301 <i>et. seq.</i>
Federal Funding and Accountability and Transparency Act (FFATA)	P.L. 109-282, as amended by Section 6202 of P.L. 110-252. Guidance issued by the Office of Management and Budget may be found in the Federal Register (Volume 75, No. 177, September 14, 2010, 2 CFR Part 170) that establishes reporting requirements.	
Government Records Access and Management Act (GRAMA),		Utah Code § 63G-2-101 <i>et. seq.</i>
Hatch Act	5 U.S.C. § 1501, <i>et seq.</i>	Utah Code § 67-19-19
Health Insurance Portability and Accountability Act of 1996 (HIPAA)	45 C.F.R. Parts 160, 162, and 164	
Public Health Service Act, Section 474(a), Protection of Human Subjects	42 U.S.C. § 2899; 45 C.F.R. Part 46; 21 C.F.R. 50 & 21 C.F.R. 56	
Substance Abuse and Mental Health confidentiality of substance abuse and mental health records	42. U.S.C. § 290dd-2; 42 C.F.R. § 2 and 2a	
Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government	45 C.F.R. § 92.36	
Utah Human Services Code		Utah Code Title 62A

## **PART VI: JURISDICTION, COPYRIGHT, AND OTHER GENERAL PROVISIONS**

1. **CONTRACT JURISDICTION:** The provisions of this Contract shall be governed and interpreted according to the laws of the State of Utah and venue shall be in the Third District Court of Salt Lake County.
2. **SEVERABILITY CLAUSE:** A final determination that any provision of this Contract is illegal or void shall not affect the legality or enforceability of any other provision of this Contract.
3. **COPYRIGHT:**

Except as otherwise expressly provided in this Contract, DHS owns the copyright for all materials developed by the Local Authority for DHS. If the Contractor develops any materials for its own use in connection with this Contract, and if such materials are not required by this Contract or requested by DHS as part of the Local Authority's performance, the Local Authority may use those materials free of charge, and without obtaining prior permission.

The Local Authority is not entitled to use information generated in connection with this Contract for any purpose, including scholarly publications or research purposes, without the prior written approval of the DHS IRB.

- 4. **AUTHORITY OF PERSON SIGNING FOR THE LOCAL AUTHORITY:** The Local Authority represents that the person who has signed this Contract on behalf of the Local Authority has full legal authority to bind the Local Authority and to execute this Contract.
- 5. **LOCAL AUTHORITY HAS NOT ALTERED THIS CONTRACT:** By signing this Contract, the Local Authority represents that neither it nor its employees or representatives have in any way altered the language or provisions in the Contract, and that this Contract contains exactly the same provisions that appeared in this document and its attachments when DHS/DSAMH originally sent it to the Local Authority.

IN WITNESS WHEREOF, the parties executed this Contract:

**LOCAL AUTHORITY**

By: Colleen Johnson  
 Print name: COLLEEN JOHNSON  
 Title/Position: COMMISSIONER  
 Tooele County Corporation  
 Date: 6/19/21

**DHS/DSAMH**

By: Jana Thomas for Lana Stahl  
 Lana Stahl, Director  
 Division of Substance Abuse and Mental Health  
 Date: 6/25/12

**RECEIVED AND PROCESSED**

CONTRACT RECEIVED AND PROCESSED BY  
 DIVISION OF FINANCE  
 By: \_\_\_\_\_  
 Sheri Witucki, Contract Analyst  
 State Division of Finance  
 Date: JUN 26 2012

ATTEST:

Marilyn K. Gillette  
 MARILYN K. GILLETTE  
 TOOELE COUNTY CLERK

