SPECIAL TERMS AND CONDITIONS
(FY 2015)

--Table of Contents--

Page

1.0 PROGRAM PURPOSE 1

2.0 SOURCE AGENCY AND LAW INFORMATION 1

3.0 STATEMENT OF PURPOSE AND IDENTIFICATION OF PARTIES 1

4.0 AREA COVERED 1

5.0 STATEMENT OF WORK AND SERVICES 2

6.0 STATE PLAN, STATE LAW, AND ADMINISTRATIVE RULES 2

7.0 FEDERAL LAW AND REGULATIONS 2

8.0 REPORTS AND PRODUCTS 2

9.0 TIME OF PERFORMANCE 2

10.0 SIGNATORIES 3
- 10.1 Issuing Agency 3
- 10.2 Contractor 3

11.0 INTEREST OF THE AGENCY AND CONTRACTOR OFFICIALS 3
- 11.1 Agency Officials 3
- 11.2 Contractor Officials 3

12.0 CONFLICTS OF INTEREST 4

13.0 RESOLUTION OF DISAGREEMENT 4

14.0 CONDITIONS OF PAYMENTS 4
- 14.1 Maximum Payments 4
- 14.2 Expenditures 4
- 14.3 Cost Category Expenditure Deviations 5
- 14.4 Federal Funding 5
- 14.5 Payment Refusal 5

15.0 RECEIPT OF FEDERAL FUNDS 5

16.0 ACCOUNTS AND RECORDS 6
- 16.1 Accounts 6
- 16.2 Audit and Inspection 6
- 16.3 Retention of Records 6
- 16.4 Refunds Returned 6

17.0 ALLOWABLE COSTS 6
- 17.1 General 6
- 17.2 Indirect Costs 6
- 17.3 Cost Allocation Plans 7
- 17.4 Contract Expenses 7

18.0 INTEREST EARNED 7
18.1 Interest Bearing Accounts 7
18.2 Nongovernmental Recipients 7
18.3 Governmental Recipients other than States 7
18.4 Documenting Interest Earned 7
18.5 Disbursement of Funds 8

19.0 INELIGIBLE ACTIVITIES 8

20.0 AUDITS 8
20.1 Audit Requirement 8
20.2 Audit Procurement 8
20.3 Audit Report Due Dates 8
20.4 Questioned Costs 8
20.5 Line Item Cost Category Breakout 9
20.6 Other Audits or Reviews 9

21.0 REVIEW OF WORK 9

22.0 PERSONNEL 9

23.0 CLIENT CONFIDENTIALITY 9

24.0 CLIENT APPEAL AND HEARING PROCEDURE 9

25.0 PATENT AND COPYRIGHT 9

26.0 AMENDMENTS TO GENERAL TERMS 10

27.0 SELF-INSURED CONTRACTORS 10
27.1 Insurance Requirements 10
27.2 Types and Amounts of Insurance Required 10
27.3 Certificates of Coverage 10
27.4 Wavier of Subrogation Rights 11

28.0 ADDITONAL TERMS AND CONDITIONS 11
28.1 Religious Activities 11
28.2 Lobbying Activities 11
28.3 Purchasing American-Made Equipment and Products 11
28.4 Trafficking Victims Protection Act 11
28.5 Debarment and Suspension 11
28.6 Memberships, Subscriptions, and Professional Activities 12
28.7 Petition for Representation 12
28.8 Cost-Sharing or Matching 12
28.9 Low-Income Home Energy Assistance Program Planning and Administration Costs 12

29.0 PROJECT BUDGET 12

SPECIAL TERMS AND CONDITIONS
(FY 2015)

ARTICLE 1.0 PROGRAM PURPOSE

The purpose of the Community Services Block Grant (CSBG) Act is to provide assistance to States and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient.

The purpose of the Iowa CSBG program is to support community action agencies and other community based organizations efforts to assist low-income families and individuals with basic energy, food needs, shelter needs, and working towards achieving self-sufficiency.

ARTICLE 2.0 SOURCE AGENCY AND LAW INFORMATION

Community Services Block Grant Act, Title VI, Subtitle B, of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended; Human Services Amendments of 1994, P.L. 103-252; the FY 1996 CSBG Appropriation Legislation, P.L. 104-134; C.F.R. Title 45, Part 96; Coats Human Services Reauthorization Act of 1998, P.L. 105-285, Department of Health and Human Services Block Grant Regulations and Current Poverty Income Guidelines; Chapter 216A, Subchapter 6, Code of Iowa, 2013.

ARTICLE 3.0 STATEMENT OF PURPOSE AND IDENTIFICATION OF PARTIES

WHEREAS, the Iowa Department of Human Rights/Division of Community Action Agencies (DCAA) has been designated by the Governor to administer the Community Services Block Grant under "Title VI, Subtitle B, of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended";

WHEREAS, Chapter 216A, Subchapter 6, Code of Iowa, 2013 specifies that community action agencies shall be provided financial assistance from the CSBG;

WHEREAS, the Contractor has submitted a FY 2015 CSBG Community Action Plan and Application which has been approved by the DCAA;

WHEREAS, the Contractor has demonstrated, in its FY 2015 CSBG Community Action Plan and Application and through past performance, that it has the programmatic and fiscal capacity to successfully carry out the CSBG program;

THEREFORE, this Contract is entered into by and between the DCAA (hereafter referred to as Agency) and the Contractor.

ARTICLE 4.0 AREA COVERED

The Contractor shall perform all the work and services required under this Contract in the area(s) specified on the Cover Sheet of the Contractor's FY 2015 CSBG Community Action Plan and Application.

ARTICLE 5.0 STATEMENT OF WORK AND SERVICES

The Contractor shall perform in a satisfactory manner, as determined by the Agency, the activities authorized by this agreement in accordance with the Contractor's work statement and objectives which are specified in the Contractor's FY 2015 CSBG Community Action Plan and Application, CSBG Contract Special Terms and Conditions, CSBG Contract General Terms, Federal and State laws and regulations, and Agency directives.

ARTICLE 6.0 STATE PLAN, STATE LAW, AND ADMINISTRATIVE RULES

The Contractor must adhere to the State of Iowa FY 2014-2015 CSBG State Plan and Application, State law, and the provisions of the Iowa Administrative Code 427 - Chapter 22 concerning the CSBG Program.

ARTICLE 7.0 FEDERAL LAW AND REGULATIONS

The Contractor must adhere to all applicable Federal guidelines, laws, regulations, OMB Circular requirements, and Agency directives.

ARTICLE 8.0 REPORTS AND PRODUCTS

The Contractor shall submit the following reports and products:

Report:	Due Date:
Activity Report	April 30, 2015 and November 6, 2015 (or as specified by the Agency)
Funding Report	November 6, 2015 (or as specified by the Agency)
Narratives Report	November 6, 2015 (or as specified by the Agency)
National Performance Indictors Report	November 6, 2015 (or as specified by the Agency)
Monthly Funding Request and Expenditure Report	must be received by the Agency no later than 10 calendar days following the end of each month in which activity occurred
Final Expenditure Report	must be received by the Agency no later than 45 calendar days following the Contract's end date
Final Program Audit	must be received by the Agency no later than 120 calendar days following the close of the Contractor's fiscal year

During the Contract period, each month (in which activity occurred) the Contractor will provide the Agency with two CSBG Monthly Funding Request and Expenditure Reports detailing program expenditures by the due date specified above.

ARTICLE 9.0 TIME OF PERFORMANCE

The services of the Contractor are to commence as of the Contract's start date, and shall be undertaken in such sequence as to assure their expeditious completion. All of the services required hereunder shall be completed by the Contract's end date.

ARTICLE 10.0 SIGNATORIES

10.1 Issuing Agency

The DCAA Administrator is the official authorized to execute any changes in the administrative terms, conditions, and project budget amounts (Article 29.0) specified in this Contract. Any approved signatories for the DCAA will be designated in writing by the DCAA Administrator.

10.2 Contractor

The Chairperson of the Contractor's governing board, or Mayor of the Contractor's City Council, is the Contractor authorized to execute any changes in the administrative terms and conditions specified in this Contract. Upon board or council action, the Chairperson of the Contractor's governing board, or Mayor of the Contractor's City Council, may designate the Director (Executive Director), City Manager, or other agency official to negotiate on behalf of the Contractor any changes to the administrative terms and conditions in this Contract. Any approved signatories for the Contractor will be designated in writing and submitted to the Agency by the Chairperson or Mayor.

All requests for changes to the project budget amounts specified in Article 29.0 of this Contract must be approved upon board or council action by the Contractor's governing board or City Council. Once approved, the Chairperson of the Contractor's governing board, or Mayor of the Contractor's City Council, or City Manager, may submit the project budget change request.

The Director (Executive Director) or his/her designee is the Contractor authorized to certify the Contractor's CSBG Monthly Funding Request and Expenditure Reports. Any approved signatories for the Contractor will be designated in writing and submitted to the Agency by the Director (Executive Director).

ARTICLE 11.0 INTEREST OF THE AGENCY AND CONTRACTOR OFFICIALS

11.1 Agency Officials

No officer or employee of the Agency shall participate in any decision relating to this Contract which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested; or have any interest, direct or indirect, in this Contract or the proceeds thereof.

11.2 Contractor Officials

The Contractor covenants that no official, employee or agent of the Contractor presently has any personal or financial interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. The Contractor further covenants that in the performance of this Contract no person having such interest will be employed.

ARTICLE 12.0 CONFLICTS OF INTEREST

The Contractor or subcontractors shall not permit any conflicts of interest involving staff, board, or council members and shall avoid any appearance of conflicts of interest in all transactions awarding of financial assistance or procurement of services or property using Contract funds. No member of any council, board, or staff associated with this Contract shall cast a vote on the provision of service by that member (or any organization directly represented by that member) or vote on any matter, which would provide direct financial benefit to that member. Detailed information about any conflict of interest situations, along with information on how they were resolved, shall promptly be reported to the Contractor and to the Agency.

ARTICLE 13.0 RESOLUTION OF DISAGREEMENT

In the event of any disagreement between the Contractor and the Agency relating to the competence of the work and services being performed and its conformity to the requirements of this Contract, the decisions of Agency shall prevail.

ARTICLE 14.0 CONDITIONS OF PAYMENTS

14.1 Maximum Payments

It is expressly understood and agreed that the maximum amounts to be paid to the Contractor by the Agency shall be the amount specified under Article 29.0 subject to Article 5.0 herein. The total of all payments to the Contractor by the Agency for all services required under this Contract shall not exceed the Project Budget unless modified by written amendment of this Contract or by written notice of a funding change by the Agency.

14.2 Expenditures

The Contractor shall make every reasonable effort to expend all FY 2015 CSBG funds in conformance with the terms and conditions of this Contract prior to the Contract's end date. In the event all funds cannot be reasonably expended by the Contract's end date, funds may be carried forward in accordance with the following, upon approval by the Agency:

- At its option, the Contractor may request the approval of the Agency to carry forward unexpended FY 2015 CSBG funds. Contract extensions, which are requested by the Contractor, shall be granted by the Agency for a period of 3 months. Subsequent extensions may be granted on an as needed basis by the Agency. Initial and any subsequent request for Contract extensions shall be delivered to the Agency 30 calendar days prior to the Contract's end date. In the event the Contractor does not provide the Agency with a final expenditure report for this Contract by the due date (Article 8.0), the Agency reserves the right to withhold payment of future CSBG contract funds until such final expenditure report is received by the Agency.

- Contract extensions will not be granted beyond September 30, 2016. Any FY 2015 CSBG funds not expended by September 30, 2016, must be returned to the Agency.

- Funds remaining at the Contract's end date must be returned to the Agency.

14.3 Cost Category Expenditure Deviations

Expenditures that exceed budgeted cost category amounts will not be disallowed for payment solely because of minor deviations from the budgeted amount. However, any deviation exceeding 10 percent of the budgeted cost category amount shall require a budget amendment to this Contract and prior approval must be granted by the Agency. The total amount of the budget shall not be exceeded and any amounts above the budget total will not be reimbursed by the Agency, unless a budget amendment has been granted to increase the total.

14.4 Federal Funding

- Periodic Adjustments: Federal funds are made available to the Agency on a periodic basis with Federal allocations subject to change without Agency control. As a result, the amount of funds made available to the Contractor by the Agency may vary throughout the program year.

- Written Notification of Funding: The Agency shall periodically notify the Contractor, in writing of the amount of Federal funds that will be available to the Contractor for that period. The Contractor shall be liable for any expenditure in excess of the periodic allocation.

- If the annualized funding level changes, the Contractor will be notified by the Agency and shall, within 30 calendar days or as determined by the Agency, prepare and submit to the Agency for approval, a revised project budget reflecting the revised amount of CSBG funds. Upon approval by the Agency, the revised project budget will become a part of this Contract by this reference.

- Advance Payment: The Agency may upon execution of this Contract make a payment to the Contractor based on the Contractor's first advance request and expenditure report, provided such payment does not exceed the amount of funds currently available to the Contractor. The Monthly Funding Request and Expenditure Report shall indicate costs incurred to date and projected costs for not more than 60 calendar days. The Agency reserves the right to reduce advance requests if the Contractor's expenditure reports indicate that previous advance requests have been excessive. Should expenditure reports indicate excessive Federal cash on hand at any time during the Contract period, the Agency may require the repayment of such funds. Upon completion of the Contract, any remaining unexpended funds shall be returned to the Agency no later than 45 calendar days following the Contract's end date.

14.5 Payment Refusal

The Agency may refuse payment of funds for good cause such as evidence of fraud, lack of management controls, or non-compliance with grant conditions. Such refusal shall be appropriately documented and the Contractor shall be informed of the reason for the refusal.

ARTICLE 15.0 RECEIPT OF FEDERAL FUNDS

All payments to the Contractor shall be subject to the receipt of Federal grant funds by the Agency. The termination, reduction, or delay of Federal grant funds to the Agency shall, at the option of the Agency, be reflected in a corresponding modification to grants already made to the Contractor.

ARTICLE 16.0 ACCOUNTS AND RECORDS

16.1 Accounts

The Contractor shall maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred and revenues acquired under this Contract to the extent and in such detail as will properly reflect all costs, direct and indirect, or labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature, for which payment is claimed under this Contract. The Contractor shall be prepared to support charges for salaries and wages by time, attendance and payroll records.

16.2 Audit and Inspection

At any time during normal business hours and as frequently as is deemed necessary the Contractor shall make available to the Agency, the State Auditor, the Comptroller General of the United States, the Federal agency providing funds, or any of their duly appointed representatives, for their examination, all of its records pertaining to all matters covered by this Contract and permit these agencies to audit, examine, make excerpts or transcripts from such records, contracts, invoices, payrolls, personnel records, conditions of employment, and all other matters covered by this Contract.

16.3 Retention of Records

All records in the possession of the Contractor pertaining to this Contract shall be retained by the Contractor for a period of 3 years beginning with the date the Contractor is notified by the Agency that the Federal grantor agency has closed out the grant at the State and Contractor level.

16.4 Refunds Returned

The Contractor, in maintaining Contract expenditure accounts and records and reports, shall make any necessary adjustments to reflect refunds, credits, underpayments or overpayments, as well as any adjustments resulting from any administrative reviews and audits by the United States or by the State of Iowa or by the Contractor. Such adjustments shall be set forth in the financial reports filed with the Agency.

ARTICLE 17.0 ALLOWABLE COSTS

17.1 General

Allowable costs are subject to audit under the principles defined in the following Office of Management and Budget (OMB) circulars as they pertain to the Contractor: A-87, "Cost Principals for State, Local, and Indian Tribal Governments" and A-122, "Cost Principles for Non-Profit Organizations."

17.2 Indirect Costs

Indirect costs shall be allowed at a specified rate approved by the Contractor's Federal cognizant agency and in an amount not to exceed the approved budget presented in this Contract. Indirect cost rates, if applicable, shall be determined according to the principles defined in the following OMB Circulars: A-87, "Cost Principals for State, Local, and Indian Tribal Governments" and A-122, "Cost Principles for Non-Profit Organizations."

17.3 Cost Allocation Plans

The Contractor shall possess and use a cost allocation plan that results in the fair distribution of costs to benefiting programs. The Contractor shall have available for inspection, by the Agency, a copy of the cost allocation plan in use during the term of this Contract. The Agency may review and approve portions of the cost allocation plan not reviewed and approved by the Federal cognizant agency.

17.4 Contract Expenses

Expenses shall not be incurred prior to the Contract's start date.

ARTICLE 18.0 INTEREST EARNED

18.1 Interest Bearing Accounts

In accordance with Section 22 of OMB Circular A-110 and 45 CFR 74.22, the Contractor shall maintain advances of Federal funds in interest bearing accounts, unless one of the following applies:

1. The Contractor receives less than $120,000 in Federal awards per year.
2. The best reasonably available interest bearing account would not be expected to earn interest in excess of $250 per year of Federal cash balances.
3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

Contractors not maintaining advances of Federal funds in interest bearing accounts because of one or more of the conditions listed above, shall have available for Agency inspection, documentation supporting the Contractor's decision to not maintain advances of Federal funds in interest bearing accounts.

18.2 Nongovernmental Recipients

In accordance with Section 22 of OMB Circular A-110, any interest earned on advances of Federal funds must be remitted annually to the U.S. Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Interest amounts up to $250 per year, based on the Contractor's fiscal year, may be retained by the Contractor for administrative expenses. Contractors with electronic fund transfer (EFT) capabilities should use the electronic medium to remit interest.

18.3 Governmental Recipients other than States

In accordance with 45 CFR 92.21, any interest earned on advances of Federal funds must be remitted quarterly to the U.S. Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Interest amounts up to $100 per year, based on the Contractor's fiscal year, may be retained by the Contractor for administrative expenses. Contractors with electronic fund transfer (EFT) capabilities should use the electronic medium to remit interest.

18.4 Documenting Interest Earned

Contractors remitting annual interest earned to the U.S. Department of Health and Human Services (HHS) must maintain, at a minimum, the following information: interest earned documents, the total amount remitted to HHS, and the date of the remittance to HHS.

Contractors not required to make an annual interest earned remittance to HHS must maintain, at a minimum, interest earned documentation.

18.5 Disbursement of Funds

The Contractor shall maintain and follow written procedures that minimize the time elapsing between the transfer of Contract funds from the Agency and the disbursement of those funds by the Contractor.

ARTICLE 19.0 INELIGIBLE ACTIVITIES

The following activities are ineligible for funding under this Contract:

Construction of Facilities: The purchase or improvement of land, or he purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility.

Exceptions to this rule shall be provided through a waiver procedure described in Section 678F of the Community Services Block Act, as amended.

Political Activities: Any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office; any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or any voter registration activity.

ARTICLE 20.0 AUDITS

20.1 Audit Requirement

Each Contractor shall cause all funds expended under this Contract to be audited annually. The audit shall be arranged by and paid for by the Contractor. Audits shall be performed in accordance with generally accepted auditing standards, including the standards published by the General Accounting Office, "Standards for Audit of Governmental Organizations, Programs, Activities and Functions." Audit procedures shall conform to OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." In addition, the Agency may request more frequent audits or examinations of financial records of the recipient in order to insure adequate financial controls are in place and operating.

20.2 Audit Procurement

Procurement of audit services shall be conducted under the standards of procurement applicable to the Contractor in accordance with OMB Circular A-102, "Grants and Cooperative Agreements to State and Local Governments" or OMB Circular A-110, "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations." The bid procedure shall be conducted at least once every 5 years.

20.3 Audit Report Due Dates

The Contractor shall furnish a copy of the Audit Report and any pertinent Management Letters annually to the Agency by the Final Program Audit due date (Article 8.0). Written approval by Agency is required for any variation from this time requirement.

20.4 Questioned Costs

All questioned costs are payable to the Agency 30 calendar days after Contractor's receipt of the Agency request for repayment unless written exception is granted during the 30 calendar day period. Where additional examination is required to resolve questioned costs, an extension of the deadline for repayment of questioned costs may be granted by the Agency. Questioned costs cannot be repaid with Federal or State appropriated funds.

20.5 Line Item Cost Category Breakout

Audit reports shall be required to breakout budget line item cost data, by Contract, in accordance with the approved Contract budget.

20.6 Other Audits or Reviews

Contractors shall inform the Agency of any program or financial audits or reviews performed by or on behalf of any Federal, State, local, or other governmental unit that concern or involve Agency programs or staff providing services under any Agency program, and shall provide copies of the findings or results of such audits or reviews to the Agency within 30 calendar days of receiving such findings or results. Contractors shall provide the Agency with copies of any plans or documents that they create to address any findings or issues identified in such audits or reviews within 10 calendar days of submitting such plans or documents.

ARTICLE 21.0 REVIEW OF WORK

The Agency shall have the right to review and observe, at any time, completed work or work in progress on this Contract.

ARTICLE 22.0 PERSONNEL

The Contractor represents that it has, or will, secure all personnel required to perform the work and services under this Contract. The Contractor also agrees that it is Contractor's responsibility to ensure all personnel engaged in the work and services under this Contract shall be fully qualified.

ARTICLE 23.0 CLIENT CONFIDENTIALITY

The Contractor shall comply with the Iowa Department of Human Rights' policy on confidentiality of individual client records as stated in Iowa Code, 216A.6.

ARTICLE 24.0 CLIENT APPEAL AND HEARING PROCEDURE

The Contractor must implement a client appeal and hearing procedure concerning CSBG program client complaints. The procedure shall be used for all clients wanting to file a complaint for the work, benefits, and/or services provided by the Contractor and funded solely by the CSBG. The procedure shall also be used when a program, co-funded with the Contractor's CSBG funds, does not have a program specific client appeal and hearing procedure. At a minimum, the procedure should allow for the following:

- A client appeal request to the Contractor
- Determination by the Contractor concerning the appeal
- A client request for a State hearing
- Determination by the Agency (DCAA) or administrative law judge concerning the State hearing

For programs that do not have a specific client appeal and hearing procedure, and are not funded or co-funded with the Contractor's CSBG funds, the Contractor must have a procedure to address client complaints.

ARTICLE 25.0 PATENT AND COPYRIGHT

Materials or items produced in whole or in part under this Contract shall not be patented or copyrighted by the Contractor.

ARTICLE 26.0 AMENDMENTS TO GENERAL TERMS

The General Terms are hereby modified as follows:

1) Definitions 4. "Bid Proposal" or "Proposal" shall mean the "Application", as defined in the Special Terms and Conditions
2) Section E. 1. Access to Confidential Information: The third and fifth sentences are deleted in their entirety
3) Section G. 1. Insurance Requirements: Delete from the first sentence "at the Contractor's expense"
4) Section G. 3. Certificates of Coverage:
   - Delete from the second sentence “submit” and add “maintain”
   - Delete from the second sentence “to the Agency upon execution of this Contract”
   - The third and fifth sentence are deleted in their entirety
5) Section H. Program Management and Reporting: This section is deleted in its entirety
6) Section L. 11. Use of Third Parties: The second sentence is deleted in its entirety
7) Section R. 5. Add at the end of the paragraph, “The recipient entity will meet the requirement to provide a copy of the internal revenue service form 990 for all fiscal years in which service contract revenues are reported by maintaining for DCAA inspection copies of the 990 forms.”
8) Section S. Provisions for Contractors Established in Accordance With Chapter 28E: Delete from the second sentence of the second paragraph “one week” and add “twenty (20) days”

ARTICLE 27.0 SELF-INSURED CONTRACTORS

The following insurance requirements apply to Contractor's that are self-insured:

27.1 Insurance Requirements

The Contractor, and any subcontractor, shall maintain in full force and effect, either through self-insurance or with insurance companies licensed by the State of Iowa, insurance covering its work during the entire term of this Contract and any extensions or renewals thereof. The Contractor’s insurance shall, among other things, be occurrence based and shall insure against any loss or damage resulting from or related to the Contractor’s performance of this Contract regardless of the date the claim is filed or expiration of the policy.

27.2 Types and Amounts of Insurance Required

Unless otherwise requested by the Agency in writing, the Contractor shall maintain insurance coverage insuring the Contractor against all general liabilities, product liability, personal injury, property damage, and (where applicable) professional liability. In addition, the Contractor shall ensure it has any necessary workers’ compensation and employer liability insurance as required by Iowa law. The requirement set forth herein may be met by the Contractor's self-insurance coverage.

27.3 Certificates of Coverage

Contractor shall maintain all insurance coverage required by this Contract in full force and effect during the entire term of this Contract and any extensions or renewals thereof. The Contractor shall have available for inspection, by the Agency, a letter of self-insurance which indicates coverage as required by this Contract.

27.4 Waiver of Subrogation Rights

If applicable, the Contractor shall obtain a waiver of any subrogation rights that any of its insurance carriers might have against the State. The waiver of subrogation rights shall be indicated on the certificates of insurance coverage supplied to the State.

ARTICLE 28.0 ADDITIONAL TERMS AND CONDITIONS

28.1 Religious Activities

CSBG funding shall not be used to support inherently religious activities such as religious instruction, worship, or proselytization.

28.2 Lobbying Activities

CSBG funding may not be used by the Contractor or any subcontractor to support lobbying activities to influence proposed or pending Federal or State legislation or appropriations. This prohibition is related to the use of Federal grant funds and is not intended to affect an individual's right or that of any organization, to petition Congress, or any other level of Government, through the use of other resources.

28.3 Purchasing American-Made Equipment and Products

In accordance with Public Law 103-333, the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act of 1995," the following provisions are applicable to this grant award:

- Section 507: "Purchase of American-Made Equipment and Products - It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made."

- Section 508: "When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all States receiving Federal funds, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources."

28.4 Trafficking Victims Protection Act

This Contract is subject to the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). The Contractor certifies, by signing and submitting this Contract, acceptance of these requirements.

28.5 Debarment and Suspension

The Contractor may not participate in this project in any capacity or be a recipient of Federal funds designated for this project if the Contractor has been debarred or suspended or otherwise found to be ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

28.6 Memberships, Subscriptions, and Professional Activities

CSBG program funds used to pay for costs of the Contractor's membership in an organization, or a subscription to an organization, cannot be used by the organization to fund political activities and/or lobbying activities.

In accordance with Section 30 (c.) of OMB Circular A-122, the Contractor is allowed to use CSBG program funds for the costs of the Contractor's membership in any civic or community organization. The Contractor must receive prior approval from the Agency (CSBG Request for Membership Form) if the costs of membership in a civic or community organization have annual membership fees over $250.

Contractors using CSBG program funds to pay for the costs of the Contractor's membership in any civic or community organization must maintain for Agency inspection all the information requested on the CSBG Request for Membership Form.

28.7 Petition for Representation

The Contractor is required to have procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the governing board of the Contractor to petition for adequate representation.

28.8 Cost-Sharing or Matching

CSBG funding shall not be used to match the cost-sharing or matching requirements of another federally-funded program, or charged as a cost to such a program.

28.9 Low-Income Home Energy Assistance Program (LIHEAP) Planning and Administration Costs

LIHEAP statute caps the share of State LIHEAP funds spent on LIHEAP planning and administration costs at 10 percent. Any funds spent on LIHEAP planning and administration that exceeds the 10 percent limit must be non-Federal funds. CSBG funds used for LIHEAP planning and administration must be applied to the 10 percent limit on Federal funds.

ARTICLE 29.0 PROJECT BUDGET

The Contractor's FY 2015 CSBG Project Budget is included as Attachment A. The total of all payments to the Contractor by the Agency for all services required under this Contract shall not exceed the Project Budget unless modified by written amendment of this Contract or by written notice of a funding change by the Agency.

GENERAL TERMS
(FY 2015)

--Table of Contents--

Page

Definitions 1

A. Duration of Contract 2

B. Scope of Work 2

C. Compensation 2
1. Pricing 2
2. Withholding Payments 2
3. Setoff against Sums Owed by the Contractor 2

D. Termination 2
1. Termination for Cause by the Agency 2
2. Termination upon Notice 3
3. Termination Due to Lack of Funds or Change in Law 3
4. Limitation of the State's Payment Obligations 4
5. Contractor's Termination Duties 4
6. Termination for Cause by Contractor 4

E. Confidential Information 5
1. Access to Confidential Information 5
2. No Dissemination of Confidential Information 5
3. Subpoena 5
4. Reporting of Unauthorized Disclosure 5
5. Survives Termination 5

F. Indemnification 5
1. By the Contractor 5
2. Survives Termination 6

G. Insurance 6
1. Insurance Requirements 6
2. Types and Amounts of Insurance Required 6
3. Certificates of Coverage 6
4. Waiver of Subrogation Rights 6

H. Program Management and Reporting 6
1. Program Manager 6
2. Review Meetings 6
3. Reports 6
4. Problem Reporting Omissions 6
5. Change Order Procedure 7

I. Legislative Changes 7

J. Warranties 7
1. Construction of Warranties Expressed in this Contract with Warranties Implied by Law 7
7. Obligations Owed to Third Parties 9

K. Acceptance Testing 9

L. Contract Administration 10
1. Independent Contractor 10
2. Incorporation of Documents 10
3. Intent of References to Bid Documents 10
4. Compliance with the Law 10
5. Procurement 10
6. Non-Exclusive Rights 10
7. Non-Supplanting Requirement 10
8. Compliance with Iowa Code Chapter 8F 10
9. Amendments 10
10. Third Party Beneficiaries 10
11. Use of Third Parties 10
12. Choice of Law and Forum 11
13. Assignment and Delegation 11
14. Integration 11
15. Headings or Captions 11
16. Not a Joint Venture 11
17. Joint and Several Liability 11
18. Supersedes Former Contracts or Agreements 11
19. Waiver 11
20. Notice 11
21. Cumulative Rights 11
22. Severability 12
23. Time is of the Essence 12
24. Authorization 12
25. Successors in Interest 12
26. Records Retention and Access 12
27. Audits 13
28. Qualifications of Staff 13
29. Solicitation 13
30. Obligations beyond Contract Term 13
31. Counterparts 13
32. Delays or Impossibility of Performance 13
33. Conflict of Interest 14
34. Certification Regarding Sales and Use Tax 14
35. Right to Address the Board of Directors or Other Managing Entity 14
36. Repayment Obligation 14
37. Further Assurances and Corrective Instruments 14
38. Reporting Requirements 14
39. Immunity from Liability 14
40. Public Records 14
41. Use of Name or Intellectual Property 14
42. Taxes 14
43. No Minimums Guaranteed 14

M. Civil Rights Requirements 15
1. Civil Rights Compliance in Services 15
2. Civil Rights Compliance in Employment 15
3. Consideration for Employment 15
4. Non-Compliance 15
5. Contractor Provisions 15

N. Compliance with Pro-Children Act of 1994 15

O. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion 16

P. Certification Regarding Lobbying 17

Q. Certification Regarding Drug Free Workplace 17
1. Requirements for Contractors Who are Not Individuals 17
2. Requirement for Individuals 17
3. Notification Requirement 17

R. Certification Regarding Compliance with Requirements of Iowa Code Chapter 8F 18

S. Provisions for Contractors Established in Accordance With Chapter 28E 19

T. Availability of Data and Records 19

U. Equipment, Supplies, and Inventory of Property 19
1. Equipment and Supplies 19
2. Purchasing Equipment and Supplies 19
3. Disposition of Equipment 19
4. Rental and Lease Requirements 19
5. Inventory of Property 19
6. Physical Inventory 20
7. Inventory Control 20
8. Property Maintenance 20

GENERAL TERMS
(FY 2015)

Definitions:

1. "Acceptance" means that the Agency has determined that one or more Deliverables satisfy the Agency's Acceptance Tests. Final Acceptance means that the Agency has determined that all Deliverables satisfy the Agency's Acceptance Tests. Non-acceptance means that the Agency has determined that one or more Deliverables have not satisfied the Agency's Acceptance Tests.

2. "Acceptance Criteria" means the Specifications, goals, performance measures, testing results and/or other criteria designated by the Agency and against which the Deliverables may be evaluated for purposes of Acceptance or Non-acceptance thereof.

3. "Acceptance Tests" or "Acceptance Testing" mean the tests, reviews and other activities that are performed by or on behalf of Agency to determine whether the Deliverables meet the Acceptance Criteria or otherwise satisfy the Agency, as determined by the Agency in its sole discretion.

4. "Bid Proposal" or "Proposal" means the Contractor's proposal submitted in response to the RFP.

5. "Contract" means the collective documentation memorializing the terms of the agreement between the Agency and the Contractor identified on the Contract Declarations & Execution Page(s) and includes the signed Contract Declarations & Execution Page(s), the Special Terms, the General Terms, any Special Contract Attachments, and all other attachments to the Contract Declarations & Execution Page(s).

6. "Contract Declarations & Execution Page(s)" means the document that contains basic information about the Contract and incorporates by reference these General Terms for Services Contracts, the Special Terms, and all other attachments to the Contract Declarations and Executions Page(s).

7. "Deficiency" means a defect, flaw, anomaly, failure, omission, interruption of service, or other problem of any nature whatsoever with respect to a Deliverable, including, without limitation, any failure of a Deliverable to conform to or meet an applicable specification. Deficiency also includes the lack of something essential or necessary for completeness or proper functioning of a Deliverable.

8. "Deliverables" means all of the goods, products, services, work, work product, items, materials and property to be created, developed, produced, delivered, performed or provided by or on behalf of, or made available through, Contractor (or any agent, contractor or subcontractor of Contractor) in connection with this Contract.

9. "Documentation" means any and all technical information, commentary, explanations, design documents, system architecture documents, database layouts, test materials, training materials, guides, manuals, worksheets, notes, work papers, and all other information, documentation and materials related to or used in conjunction with the Deliverables, in any medium, including hard copy, electronic, digital, and magnetically or optically encoded media.

10. "RFP" means the Request for Proposals or Request for Bids (and any Addenda thereto) identified on the Contracts Declarations and Execution Page(s) that was issued to solicit the Deliverables that are subject to the Contract.

11. "Special Contract Attachments" means any attachment to this Contract indicated on the Contract Declarations & Execution Page(s).

12. "Special Terms" means the Contract attachment entitled "Special Terms" that contains terms specific to this Contract, including but not limited to the Scope of Work, contract payment terms, and any amendments to these General Terms and Conditions for Services Contracts. If there is a conflict between the General Terms for Services Contracts and the Special Terms, the Special Terms shall prevail.

13. "Specifications" means all specifications, requirements, technical standards, performance standards, representations and other criteria related to the Deliverables stated or expressed in this Contract, the Documentation, the RFP, and the Proposal. Specifications shall include the Acceptance Criteria and any specifications, standards or criteria stated or set forth in any applicable state, federal, foreign and local laws, rules and regulations. The Specifications are incorporated into this Contract by reference as if fully set forth in this Contract.

14. "State" means the State of Iowa, the Agency, and all State of Iowa agencies, boards, and commissions, and when this Contract is available to political subdivisions, any political subdivisions of the State of Iowa.

A. Duration of Contract. The term of the Contract shall begin and end on the dates specified on the Contract Declarations & Execution Page(s), unless extended or terminated earlier in accordance with the termination provisions of this Contract. The Agency may, in its sole discretion, exercise any applicable extension by giving the Contractor written notice of the extension decision at least sixty (60) days prior to the expiration of the initial term or renewal term.

B. Scope of Work. The Contractor shall provide Deliverables that comply with and conform to the Specifications.

C. Compensation.

1. Pricing. The Contractor will be compensated in accordance with the payment terms outlined in the Special Terms.

The Contractor shall submit, on the frequency established on the Contract Declarations & Execution Page(s) an invoice for Deliverables rendered in accordance with this Contract. The invoice shall comply with all applicable rules concerning payment of such claims. The Agency shall verify the Contractor's performance of the Deliverables outlined in the invoice before making payment. The Agency shall pay all approved invoices in arrears and in conformance with Iowa Code § 8A.514. The Agency may pay in less than sixty (60) days, but an election to pay in less than sixty (60) days shall not act as an implied waiver of Iowa Code § 8A.514.

Unless otherwise agreed in writing by the parties, the Contractor shall not be entitled to receive any other payment or compensation from the State for any Deliverables provided by or on behalf of the Contractor under this Contract. The Contractor shall be solely responsible for paying all costs, expenses and charges it incurs in connection with its performance under this Contract.

2. Withholding Payments. In addition to pursuing any other remedy provided herein or by law, the Agency may withhold compensation or payments to Contractor, in whole or in part, without penalty to the Agency or work stoppage by Contractor, in the event the Agency determines that: (i) Contractor has failed to perform any of its duties or obligations as set forth in this Contract; or (ii) any Deliverable has failed to meet or conform to any applicable Specifications or contains or is experiencing a Deficiency. No interest shall accrue or be paid to Contractor on any compensation or other amounts withheld or retained by the Agency under this Contract.

3. Setoff against Sums Owed by the Contractor. In the event that Contractor owes the State any sum under the terms of this Contract, any other contract or agreement, pursuant to a judgment, or pursuant to any law, the State may, in its sole discretion, set off any such sum against: (1) any sum invoiced by, or owed to, Contractor under this Contract, or (2) any sum or amount owed by the State to Contractor, unless otherwise required by law. The Contractor agrees that this provision constitutes proper and timely notice under any applicable laws governing setoff.

D. Termination.

1. Termination for Cause by the Agency. The Agency may terminate this Contract upon written notice for the breach by Contractor of any material term, condition or provision of this Contract, if such breach is not cured within the time period specified in the Agency's notice of breach or any subsequent notice or correspondence delivered by the Agency to Contractor, provided that cure is feasible. In addition, the Agency may terminate this Contract effective immediately without penalty and without advance notice or opportunity to cure for any of the following reasons:

i. Contractor furnished any statement, representation, warranty or certification in connection with this Contract, the RFP or the Proposal that is false, deceptive, or materially incorrect or incomplete;
ii. Contractor or any of Contractor's officers, directors, employees, agents, subsidiaries, affiliates, contractors or subcontractors has committed or engaged in fraud, misappropriation, embezzlement, malfeasance, misfeasance, or bad faith;
iii. Contractor or any parent or affiliate of Contractor owning a controlling interest in Contractor dissolves;
iv. Contractor terminates or suspends its business;
v. Contractor's corporate existence or good standing in Iowa is suspended, terminated, revoked or forfeited, or any license or certification held by Contractor related to Contractor's performance under this Contract is suspended, terminated, revoked, or forfeited;
vi. Contractor has failed to comply with any applicable international, federal, state (including, but not limited to Iowa Code chapter 8F), or local laws, rules, ordinances, regulations or orders when performing within the scope of this Contract;
vii. The Agency determines or believes the Contractor has engaged in conduct that: (a) has or may expose the Agency or the State to material liability, or (b) has caused or may cause a person's life, health or safety to be jeopardized;
viii. Contractor infringes or allegedly infringes or violates any patent, trademark, copyright, trade dress or any other intellectual property right or proprietary right, or Contractor misappropriates or allegedly misappropriates a trade secret;
ix. Contractor fails to comply with any applicable confidentiality laws, privacy laws, or any provisions of this Contract pertaining to confidentiality or privacy; or
x. Any of the following has been engaged in by or occurred with respect to Contractor or any corporation, shareholder or entity having or owning a controlling interest in Contractor:

a. Commencing or permitting a filing against it which is not discharged within ninety (90) days, of a case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect; or filing an answer admitting the material allegations of a petition filed against it in any involuntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts; or consenting to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts;
b. Seeking or suffering the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets;
c. Making an assignment for the benefit of creditors;
d. Failing, being unable, or admitting in writing the inability generally to pay its debts or obligations as they become due or failing to maintain a positive net worth and such additional capital and liquidity as is reasonably adequate or necessary in connection with Contractor's performance of its obligations under this Contract; or
e. Taking any action to authorize any of the foregoing.

The Agency's right to terminate this Contract shall be in addition to and not exclusive of other remedies available to the Agency, and the Agency shall be entitled to exercise any other rights and pursue any remedies, in law, at equity, or otherwise.

2. Termination upon Notice. Following thirty (30) days written notice, the Agency may terminate this Contract in whole or in part without penalty and without incurring any further obligation to Contractor. Termination can be for any reason or no reason at all.

3. Termination Due to Lack of Funds or Change in Law. Notwithstanding anything in this Contract to the contrary, and subject to the limitations set forth below, the Agency shall have the right to terminate this Contract without penalty and without any advance notice as a result of any of the following:

i. The legislature or governor fail in the sole opinion of the Agency to appropriate funds sufficient to allow the Agency to either meet its obligations under this Contract or to operate as required and to fulfill its obligations under this Contract; or
ii. If funds are de-appropriated, reduced, not allocated, or receipt of funds is delayed, or if any funds or revenues needed by the Agency to make any payment hereunder are insufficient or unavailable for any other reason as determined by the Agency in its sole discretion; or

iii. If the Agency's authorization to conduct its business or engage in activities or operations related to the subject matter of this Contract is withdrawn or materially altered or modified; or
iv. If the Agency's duties, programs or responsibilities are modified or materially altered; or
v. If there is a decision of any court, administrative law judge or an arbitration panel or any law, rule, regulation or order is enacted, promulgated or issued that materially or adversely affects the Agency's ability to fulfill any of its obligations under this Contract.

The Agency shall provide Contractor with written notice of termination pursuant to this section.

4. Limitation of the State's Payment Obligations. In the event of termination of this Contract for any reason by either party (except for termination by the Agency pursuant to Section D.1), the Agency shall pay only those amounts, if any, due and owing to Contractor hereunder for Deliverables actually and satisfactorily provided in accordance with the provisions of this Contract up to and including the date of termination of this Contract and for which the Agency is obligated to pay pursuant to this Contract; provided however, that in the event the Agency terminates this Contract pursuant to Section E.3, the Agency's obligation to pay Contractor such amounts and other compensation shall be limited by, and subject to, legally available funds. Payment will be made only upon submission of invoices and proper proof of Contractor's claim. Notwithstanding the foregoing, this Section D.4 in no way limits the rights or remedies available to the Agency and shall not be construed to require the Agency to pay any compensation or other amounts hereunder in the event of Contractor's breach of this Contract or any amounts withheld by the Agency in accordance with the terms of this Contract. The Agency shall not be liable, under any circumstances, for any of the following:
i. The payment of unemployment compensation to Contractor's employees;
ii. The payment of workers' compensation claims, which occur during the Contract or extend beyond the date on which the Contract terminates;
iii. Any costs incurred by Contractor in its performance of the Contract, including, but not limited to, startup costs, overhead or other costs associated with the performance of the Contract;
iv. Any damages or other amounts associated with the loss of prospective profits, anticipated sales, goodwill, or for expenditures, investments or commitments made in connection with this Contract;
v. Any taxes Contractor may owe in connection with the performance of this Contract, including, but not limited to, sales taxes, excise taxes, use taxes, income taxes or property taxes.

5. Contractor's Termination Duties. Upon receipt of notice of termination or upon request of the Agency, Contractor shall:
i. Cease work under this Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination, describing the status of all work performed under the Contract and such other matters as the Agency may require.
ii. Immediately cease using and return to the Agency any property or materials, whether tangible or intangible, provided by the Agency to Contractor.
iii. Cooperate in good faith with the Agency and its employees, agents and independent contractors during the transition period between the notification of termination and the substitution of any replacement service provider.
iv. Immediately return to the Agency any payments made by the Agency for Deliverables that were not rendered or provided by Contractor.
v. Immediately deliver to the Agency any and all Deliverables for which the Agency has made payment (in whole or in part) that are in the possession or under the control of the Contractor or its agents or subcontractors in whatever stage of development and form of recordation such property is expressed or embodied as that time.

6. Termination for Cause by Contractor. Contractor may only terminate this Contract for the breach by the Agency of any material term, condition or provision of this Contract, if such breach is not cured within sixty (60) days of the Agency's receipt of Contractor's written notice of breach.

E. Confidential Information.

1. Access to Confidential Information. The Contractor's employees, agents and subcontractors may have access to confidential information maintained by the Agency to the extent necessary to carry out its responsibilities under the Contract. The Contractor shall presume that all information received pursuant to this Contract is confidential unless otherwise designated by the Agency. The Contractor shall provide to the Agency a written description of its policies and procedures to safeguard confidential information. Policies of confidentiality shall address, as appropriate, information conveyed in verbal, written, and electronic formats. The Contractor must designate one individual who shall remain the responsible authority in charge of all data collected, used, or disseminated by the Contractor in connection with the performance of the Contract. The Contractor shall provide adequate supervision and training to its agents, employees and subcontractors to ensure compliance with the terms of this Contract. The private or confidential information shall remain the property of the Agency at all times.

2. No Dissemination of Confidential information. No confidential information collected, maintained, or used in the course of performance of the Contract shall be disseminated by Contractor except as authorized by law and only with the prior written consent of the Agency, either during the period of the Contract or thereafter. Any data supplied by the Agency to the Contractor or created by the Contractor in the course of the performance of this Contract shall be considered the property of the Agency. The Contractor must return any and all data collected, maintained, created or used in the course of the performance of the Contract in whatever form it is maintained promptly at the request of the Agency. The Contractor may be held civilly or criminally liable for improper disclosure of confidential information.

3. Subpoena. In the event that a subpoena or other legal process is served upon the Contractor for records containing confidential information, the Contractor shall promptly notify the Agency and cooperate with the Agency in any lawful effort to protect the confidential information.

4. Reporting of Unauthorized Disclosure. The Contractor shall immediately report to the Agency any unauthorized disclosure of confidential information.

5. Survives Termination. The Contractor's obligations under this section shall survive termination or expiration of this Contract.

F. Indemnification.

1. By the Contractor. The Contractor agrees to indemnify and hold harmless the State and its officers, appointed and elected officials, board and commission members, employees, volunteers and agents (collectively the "Indemnified Parties"), from any and all costs, expenses, losses, claims, damages, liabilities, settlements and judgments (including, without limitation, the reasonable value of the time spent by the Attorney General's Office, and the costs, expenses and attorneys' fees of other counsel retained by the Indemnified Parties directly or indirectly related to, resulting from, or arising out of this Contract, including but not limited to any claims related to, resulting from, or arising out of:

i. Any breach of this Contract;

ii. Any negligent, intentional or wrongful act or omission of the Contractor or any agent or subcontractor utilized or employed by the Contractor;

iii. The Contractor's performance or attempted performance of this Contract, including any agent or subcontractor utilized or employed by the Contractor;

iv. Any failure by the Contractor to make all reports, payments and withholdings required by federal and state law with respect to social security, employee income and other taxes, fees or costs required by the Contractor to conduct business in the State of Iowa;

v. Any claim of misappropriation of a trade secret or infringement or violation of any intellectual property rights, proprietary rights or personal rights of any third party, including any claim that any Deliverable or any use thereof (or the exercise of any rights with respect thereto) infringes, violates or misappropriates any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other intellectual property right or proprietary right of any third party.

2. Survives Termination. Contractor's duties and obligations under this section shall survive the termination of this Contact and shall apply to all acts or omissions taken or made in connection with the performance of this Contract regardless of the date any potential claim is made or discovered by the Agency or any other Indemnified Party.

G. Insurance.

1. Insurance Requirements. The Contractor, and any subcontractor, shall maintain in full force and effect, with insurance companies licensed by the State of Iowa, at the Contractor's expense, insurance covering its work during the entire term of this Contract and any extensions or renewals thereof. The Contractor's insurance shall, among other things, be occurrence based and shall insure against any loss or damage resulting from or related to the Contractor's performance of this Contract regardless of the date the claim is filed or expiration of the policy. The State of Iowa and the Agency shall be named as additional insureds or loss payees, or the Contractor shall obtain an endorsement to the same effect, as applicable.

2. Types and Amounts of Insurance Required. Unless otherwise requested by the Agency in writing, the Contractor shall cause to be issued insurance coverages insuring the Contractor and/or subcontractors against all general liabilities, product liability, personal injury, property damage, and (where applicable) professional liability in the amount specified on the Contract Declarations and Execution Page for each occurrence. In addition, the Contractor shall ensure it has any necessary workers' compensation and employer liability insurance as required by Iowa law.

3. Certificates of Coverage. Contractor shall maintain all insurance policies required by this Contract in full force and effect during the entire term of this Contract and any extensions or renewals thereof, and shall not permit such policies to be canceled or amended except with the advance written approval of the Agency. The Contractor shall submit certificates of the insurance, which indicate coverage and notice provisions as required by this Contract, to the Agency upon execution of this Contract. The certificates shall be subject to approval by the Agency. The insurer shall state in the certificate that no cancellation of the insurance will be made without at least thirty (30) days' prior written notice to the Agency. Approval of the insurance certificates by the Agency shall not relieve the Contractor of any obligation under this Contract.

4. Waiver of Subrogation Rights. The Contractor shall obtain a waiver of any subrogation rights that any of its insurance carriers might have against the State. The waiver of subrogation rights shall be indicated on the certificates of insurance coverage supplied to the State.

H. Program Management and Reporting.

1. Program Manager. At the time of execution of this Contract, each party shall designate, in writing, a Project Manager to serve until the expiration of this Contract or the designation of a substitute Project Manager. During the term of this Contract, each Project Manager shall be available to meet monthly, unless otherwise mutually agreed, to review and plan the Deliverables being provided under this Contract.

2. Review Meetings. During the review meetings the Project Managers shall discuss progress made by the Contractor in the performance of this Contract. Each party shall provide a status report, as desired by a Project Manager, listing any problem or concern encountered since the last meeting. Records of such reports and other communications issued in writing during the course of Contract performance shall be maintained by each party.

3. Reports. At the next scheduled meeting after which any party has identified in writing a problem, the party responsible for resolving the problem shall provide a report setting forth activities undertaken, or to be undertaken, to resolve the problem, together with the anticipated completion dates of such activities. Any party may recommend alternative courses of action or changes that will facilitate problem resolution. For as long as a problem remains unresolved, written reports shall identify:

i. Any event not within the control of the Contractor or the Agency that accounts for the problem;
ii. Modifications to the Contract agreed to by the parties in order to remedy or solve the identified problem;
iii. Damages incurred as a result of any party's failure to perform its obligations under this Contract; and
iv. Any request or demand by one party that another party believes is not included within the terms of this Contract.

4. Problem Reporting Omissions. The Agency's acceptance of a problem report shall not relieve the Contractor of any obligation under this Contract or waive any other remedy under this Contract or at law or equity that the Agency may have. The Agency's failure to identify the extent of a problem or the extent of damages incurred as a result of a problem shall not act as a waiver of performance or damages under this Contract. Where other provisions of this Contract require notification of an event in writing, the written report shall be considered a valid notice under this Contract provided the parties required to receive notice are notified.

5. Change Order Procedure. The Agency may at any time request a modification to the Scope of Work using a change order. The following procedures for a change order shall be followed:

i. Written Request. The Agency shall specify in writing the desired modifications to the same degree of specificity as in the original Scope of Work.

ii. The Contractor's Response. The Contractor shall submit to the Agency a firm cost proposal for the requested change order within five (5) business days of receiving the change order request.

iii. Acceptance of the Contractor Estimate. If the Agency accepts the cost proposal presented by the Contractor, the Contractor shall provide the modified Deliverable subject to the cost proposal included in the Contractor response. The Contractor's provision of the modified Deliverables shall be governed by the terms and conditions of this Contract.

iv. Adjustment to Compensation. The parties acknowledge that a change order for this Contract may or may not entitle the Contractor to an equitable adjustment in the Contractor's compensation or the performance deadlines under this Contract.

I. Legislative Changes.

The Contractor expressly acknowledges that the contracted Deliverables are subject to legislative change by either the federal or state government. Should either legislative body enact measures which alter the project, the Contractor shall not hold the Agency liable in any manner for the resulting changes. The Agency shall use best efforts to provide thirty (30) days' written notice to the Contractor of any legislative change. During the thirty (30)-day period, the parties shall meet and make a good faith effort to agree upon changes to the Contract to address the legislative change. Nothing in this Subsection shall affect or impair the Agency's right to terminate the Contract pursuant to the termination provisions.

J. Warranties.

1. Construction of Warranties Expressed in this Contract with Warranties Implied by Law. Warranties made by the Contractor in this Contract, whether: (a) this Contract specifically denominates the Contractor's promise as a warranty; or (b) the warranty is created by the Contractor's affirmation or promise, by a description of the Deliverables to be provided, or by provision of samples to the Agency, shall not be construed as limiting or negating any warranty provided by law, including without limitation, warranties that arise through course of dealing or usage of trade. The warranties expressed in this Contract are intended to modify the warranties implied by law only to the extent that they expand the warranties applicable to the Deliverables provided by the Contractor. The provisions of this section apply during the term of this Contract and any extensions or renewals thereof.

2. Contractor represents and warrants that: (i) all Deliverables shall be wholly original with and prepared solely by Contractor; or it owns, possesses, holds, and has received or secured all rights, permits, permissions, licenses and authority necessary to provide the Deliverables to the Agency hereunder and to assign, grant and convey the rights, benefits, licenses and other rights assigned, granted or conveyed to the Agency hereunder or under any license agreement related hereto without violating any rights of any third party; (ii) Contractor has not previously and will not grant any rights in any Deliverables to any third party that are inconsistent with the rights granted to the Agency herein; and (iii) the Agency shall peacefully and quietly have, hold, possess, use and enjoy the Deliverables without suit, disruption or interruption.

3. Contractor represents and warrants that: (i) the Deliverables (and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such Deliverables); and (ii) the Agency's use of, and exercise of any rights with respect to, the Deliverables (and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such Deliverables), do not and will not, under any circumstances, misappropriate a trade secret or infringe upon or violate any copyright, patent, trademark, trade dress or other intellectual property right, proprietary right or personal right of any third party. Contractor further represents and warrants there is no pending or threatened claim, litigation or action that is based on a claim of infringement or violation of an intellectual property right, proprietary right or personal right or misappropriation of a trade secret related to the Deliverables. Contractor shall inform the Agency in writing immediately upon becoming aware of any actual, potential or threatened claim of or cause of action for infringement or violation or an intellectual property right, proprietary right, or personal right or misappropriation of a trade secret. If such a claim or cause of action arises or is likely to arise, then Contractor shall, at the Agency's request and at the Contractor's sole expense: (i) procure for the Agency the right or license to continue to use the Deliverable at issue; (ii) replace such Deliverable with a functionally equivalent or superior Deliverable free of any such infringement, violation or misappropriation; (iii) modify or replace the affected portion of the Deliverable with a functionally equivalent or superior Deliverable free of any such infringement, violation or misappropriation; or (iv) accept the return of the Deliverable at issue and refund to the Agency all fees, charges and any other amounts paid by the Agency with respect to such Deliverable. In addition, Contractor agrees to indemnify, defend, protect and hold harmless the State and its officers, directors, employees, officials and agents as provided in the Indemnification section of this Contract, including for any breach of the representations and warranties made by Contractor in this section. The foregoing remedies shall be in addition to and not exclusive of other remedies available to the Agency and shall survive termination of this Contract.

4. Contractor represents and warrants that the Deliverables (in whole and in part) shall: (i) be free from material Deficiencies; and (ii) meet, conform to and operate in accordance with all Specifications and in accordance with this Contract during the Warranty Period, as defined in the Special Terms. During the Warranty Period Contractor shall, at its expense, repair, correct or replace any Deliverable that contains or experiences material Deficiencies or fails to meet, conform to or operate in accordance with Specifications within five (5) business days of receiving notice of such Deficiencies or failures from the Agency or within such other period as the Agency specifies in the notice. In the event Contractor is unable to repair, correct or replace such Deliverable to the Agency's satisfaction, Contractor shall refund the fees or other amounts paid for the Deliverables and for any services related thereto. The foregoing shall not constitute an exclusive remedy under this Contract, and the Agency shall be entitled to pursue any other available contractual, legal or equitable remedies. Contractor shall be available at all reasonable times to assist the Agency with questions, problems and concerns about the Deliverables, to inform the Agency promptly of any known Deficiencies in any Deliverables, repair and correct any Deliverables not performing in accordance with the warranties contained in this Contract, notwithstanding that such Deliverable may have been accepted by the Agency, and provide the Agency with all necessary materials with respect to such repaired or corrected Deliverable.

5. Contractor represents, warrants and covenants that all services to be performed under this Contract shall be performed in a professional, competent, diligent and workmanlike manner by knowledgeable, trained and qualified personnel, all in accordance with the terms and Specifications of this Contract and the standards of performance considered generally acceptable in the industry for similar tasks and projects. In the absence of a Specification for the performance of any portion of this Contract, the parties agree that the applicable specification shall be the generally accepted industry standard. So long as the Agency notifies Contractor of any services performed in violation of this standard, Contractor shall re-perform the services at no cost to the Agency, such that the services are rendered in the above-specified manner, or if the Contractor is unable to perform the services as warranted, Contractor shall reimburse the Agency any fees or compensation paid to Contractor for the unsatisfactory services.

6. Contractor represents and warrants that the Deliverables will comply with any applicable federal, state, foreign and local laws, rules, regulations, codes, and ordinances in effect during the term of this Contract, including applicable provisions of Section 508 of the Rehabilitation Act of 1973, as amended, and all standards and requirements established by the Architectural and Transportation Barriers Access Board and the Iowa Department of Administrative Services, Information Technology Enterprise.

7. Obligations Owed to Third Parties. The Contractor represents and warrants that all obligations owed to third parties with respect to the activities contemplated to be undertaken by the Contractor pursuant to this Contract are or will be fully satisfied by the Contractor so that the Agency will not have any obligations with respect thereto.

K. Acceptance Testing. Except as otherwise specified in the Scope of Work, all Deliverables shall be subject to the Agency's Acceptance Testing and Acceptance, unless otherwise specified in the Statement of Work. Upon completion of all work to be performed by Contractor with respect to any Deliverable, Contractor shall deliver a written notice to the Agency certifying that the Deliverable meets and conforms to applicable Specifications and is ready for the Agency to conduct Acceptance Tests; provided, however, that Contractor shall pretest the Deliverable to determine that it meets and operates in accordance with applicable Specifications prior to delivering such notice to the Agency. At the Agency's request, Contractor shall assist the Agency in performing Acceptance Tests at no additional cost to the Agency. Within a reasonable period of time after the Agency has completed its Acceptance Testing, the Agency shall provide Contractor with written notice of Acceptance or Non-acceptance with respect to each Deliverable that was evaluated during such Acceptance Testing. If the Agency determines that a Deliverable satisfies its Acceptance Tests, the Agency shall provide Contractor with notice of Acceptance with respect to such Deliverable. If the Agency determines that a Deliverable fails to satisfy its Acceptance Tests, the Agency shall provide Contractor with notice of Non-acceptance with respect to such Deliverable. In the event the Agency provides notice of Non-acceptance to Contractor with respect to any Deliverable, Contractor shall correct and repair such Deliverable and submit it to the Agency within ten (10) days of Contractor's receipt of notice of Non-acceptance so that the Agency may re-conduct its Acceptance Tests with respect to such Deliverable. In the event the Agency determines, after re-conducting its Acceptance Tests with respect to any Deliverable that Contractor has attempted to correct or repair pursuant to this section, that such Deliverable fails to satisfy its Acceptance Tests, then the Agency shall have the continuing right, at its sole option, to: (i) require Contractor to correct and repair such Deliverable within such period of time as the Agency may specify in a written notice to Contractor; (ii) refuse to accept such Deliverable without penalty and without any obligation to pay any fees or other amounts associated with such Deliverable (or receive a refund of any fees or amounts already paid with respect to such Deliverable); (iii) accept such Deliverable on the condition that any fees or other amounts payable with respect thereto shall be reduced or discounted to reflect, to the Agency's satisfaction, the Deficiencies present therein and any reduced value or functionality of such Deliverable or the costs likely to be incurred by the Agency to correct such Deficiencies; or (iv) terminate this Contract and/or seek any and all available remedies, including damages. Notwithstanding the provisions of Section E.1 of this Contract, the Agency may terminate this Contract pursuant to this section without providing Contractor with any notice or opportunity to cure provided for in Section E.1. The Agency's right to exercise the foregoing rights and remedies, including termination of this Contract, shall remain in effect until Acceptance Tests are successfully completed to the Agency's satisfaction and the Agency has provided Contractor with written notice of Final Acceptance.

If the Agency determines that all Deliverables satisfy its Acceptance Tests, the Agency shall provide Contractor with notice of Final Acceptance with respect to such Deliverables. Contractor's receipt of any notice of Acceptance, including Final Acceptance, with respect to any Deliverable(s) shall not be construed as a waiver of any of the Agency's rights to enforce the terms of this Contract or require performance in the event Contractor breaches this Contract or any Deficiency is later discovered with respect to such Deliverable(s).

L. Contract Administration.

1. Independent Contractor. The status of the Contractor shall be that of an independent contractor. The Contractor, its employees, agents and any subcontractors performing under this Contract are not employees or agents of the State or any agency, division or department of the State simply by virtue of work performed pursuant to this Contract. Neither the Contractor nor its employees shall be considered employees of the Agency or the State for federal or state tax purposes simply by virtue of work performed pursuant to this Contract. The Agency will not withhold taxes on behalf of the Contractor (unless required by law).

2. Incorporation of Documents. To the extent this Contract arises out of an RFP, the parties acknowledge that the Contract consists of these contract terms and conditions as well as the RFP and the Bid Proposal. The RFP and the Bid Proposal are incorporated into the Contract by reference, except that no objection or amendment by the Contractor to the provisions of the RFP shall be incorporated by reference into the Contract unless the Agency has explicitly accepted the Contractor's objection or amendment in writing. If there is a conflict between the Contract, the RFP and the Bid Proposal, the conflict shall be resolved according to the following priority, ranked in descending order: (1) the Contract; (2) the RFP; (3) the Bid Proposal.

3. Intent of References to Bid Documents. The references to the parties' obligations, which are contained in this Contract, are intended to supplement or clarify the obligations as stated in the RFP and the Bid Proposal. The failure of the parties to make reference to the terms of the RFP or the Bid Proposal in this Contract shall not be construed as creating a conflict and will not relieve the Contractor of the contractual obligations imposed by the terms of the RFP and the Contractor's Bid Proposal. The contractual obligations of the Agency cannot be implied from the Bid Proposal.

4. Compliance with the Law. The Contractor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when providing Deliverables under this Contract, including without limitation, all laws that pertain to the prevention of discrimination in employment and in the provision of services. For employment, this would include equal employment opportunity and affirmative action, and the use of targeted small businesses as subcontractors or suppliers. The Contractor may be required to provide a copy of its affirmative action plan, containing goals and time specifications, and non-discrimination and accessibility plans and policies regarding services to clients. Failure to comply with this provision may cause this contract to be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for future state contracts or be subject to other sanctions as provided by law or rule. The Contractor, its employees, agents and subcontractors shall also comply with all federal, state and local laws regarding business permits and licenses that may be required to carry out the work performed under this Contract. The Contractor may be required to submit its affirmative action plan to the Department of Management to comply with the requirements of 541 IAC chapter 4. If all or a portion of the funding used to pay for the Deliverables is being provided through a grant from the Federal Government, Contractor acknowledges and agrees that pursuant to applicable federal laws, regulations, circulars and bulletins, the awarding agency of the Federal Government reserves certain rights including, without limitation a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes, the Deliverables developed under this Contract and the copyright in and to such Deliverables.

5. Procurement. Contractor shall use procurement procedures that comply with all applicable federal, state, and local laws and regulations.

6. Non-Exclusive Rights. This Contract is not exclusive. The Agency reserves the right to select other contractors to provide Deliverables similar or identical to those described in the Scope of Work during the term of this Contract.

7. Non-Supplanting Requirement. To the extent required by state or federal law, federal and state funds made available under this Contract shall be used to supplement and increase the level of state, local and other non-federal funds that would in the absence of such federal and state funds be made available for the programs and activities for which funds are provided and will in no event take the place of state, local and other non-federal funds.

8. Compliance with Iowa Code Chapter 8F. If the Contract is subject to the provisions of Iowa Code chapter 8F, the Contractor shall comply with Iowa Code chapter 8F with respect to any subcontracts it enters into pursuant to this Contract. Any compliance documentation, including but not limited to certifications, received from subcontractors by the Contractor shall be forwarded to the Agency.

9. Amendments. This Contract may be amended in writing from time to time by mutual consent of the parties. Amendments to the General Terms for Services Contracts may appear in the Special Terms.

10. Third Party Beneficiaries. There are no third party beneficiaries to this Contract. This Contract is intended only to benefit the State and the Contractor.

11. Use of Third Parties. The Agency acknowledges that the Contractor may contract with third parties for the performance of any of the Contractor's obligations under this Contract. The Contractor shall notify the Agency in writing of all subcontracts relating to Deliverables to be provided under this Contract prior to the time the subcontract(s) become effective. The Agency reserves the right to review and approve all subcontracts. The Contractor may enter into these contracts to complete the project provided that the Contractor remains responsible for all Deliverables provided under this Contract. All restrictions, obligations and responsibilities of the Contractor under this Contract shall also apply to the subcontractors and the Contractor shall include in all of its subcontracts a clause that so states. The Agency shall have the right to request the removal of a subcontractor from the Contract for good cause.

12. Choice of Law and Forum. The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Contract without regard to the conflict of law provisions of Iowa law. Any and all litigation commenced in connection with this Contract shall be brought and maintained solely in Polk County District Court for the State of Iowa, Des Moines, Iowa, or in the United States District Court for the Southern District of Iowa, Central Division, Des Moines, Iowa, wherever jurisdiction is appropriate. This provision shall not be construed as waiving any immunity to suit or liability including without limitation sovereign immunity in State or Federal court, which may be available to the Agency or the State of Iowa.

13. Assignment and Delegation. Contractor may not assign, transfer or convey in whole or in part this Contract without the prior written consent of the Agency. For the purpose of construing this clause, a transfer of a controlling interest in the Contractor shall be considered an assignment. The Contractor may not delegate any of its obligations or duties under this Contract without the prior written consent of the Agency. The Contractor may not assign, pledge as collateral, grant a security interest in, create a lien against, or otherwise encumber, any payments that may or will be made to the Contractor under this Contract.

14. Integration. This Contract represents the entire Contract between the parties. The parties shall not rely on any representation that may have been made which is not included in this Contract.

15. Headings or Captions. The paragraph headings or captions used in this Contract are for identification purposes only and do not limit or construe the contents of the paragraphs.

16. Not a Joint Venture. Nothing in this Contract shall be construed as creating or constituting the relationship of a partnership, joint venture, (or other association of any kind or agent and principal relationship) between the parties hereto. Each party shall be deemed to be an independent contractor contracting for services and acting toward the mutual benefits expected to be derived herefrom. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Contract.

17. Joint and Several Liability. If the Contractor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this Contract, and for any default of activities and obligations.

18. Supersedes Former Contracts or Agreements. This Contract supersedes all prior contracts or agreements between the Agency and the Contractor for the Deliverables to be provided in connection with this Contract.

19. Waiver. Except as specifically provided for in a waiver signed by duly authorized representatives of the Agency and the Contractor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Contract shall not be construed as affecting any subsequent right to require performance or to claim a breach.

20. Notice. Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party's contract manager as set forth on the Contract Declarations & Execution Page(s). Each such notice shall be deemed to have been provided:

i. At the time it is actually received; or,

ii. Within one day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day delivery; or,

iii. Within five (5) days after it is deposited in the U.S. Mail in the case of registered U.S. Mail.

From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

21. Cumulative Rights. The various rights, powers, options, elections and remedies of any party provided in this Contract, shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled.

22. Severability. If any provision of this Contract is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Contract.

23. Time is of the Essence. Time is of the essence with respect to the Contractor's performance of the terms of this Contract. Contractor shall ensure that all personnel providing Deliverables to the Agency are responsive to the Agency's requirements and requests in all respects.

24. Authorization. Contractor represents and warrants that:

i. It has the right, power and authority to enter into and perform its obligations under this Contract.

ii. It has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of this Contract, and this Contract constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

25. Successors in Interest. All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

26. Records Retention and Access. The Contractor shall maintain accurate, current, and complete records of the financial activity of this Contract which sufficiently and properly document and calculate all charges billed to the Agency throughout the term of this Contract and for a period of at least five (5) years following the date of final payment or completion of any required audit (whichever is later). If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the five (5) year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five (5) year period, whichever is later. The Contractor shall permit the Agency, the Auditor of the State or any other authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records of the Contractor relating to orders, invoices or payments or any other documentation or materials pertaining to this Contract, wherever such records may be located. The Contractor shall not impose a charge for audit or examination of the Contractor's books and records. Based on the audit findings, the Agency reserves the right to address the Contractor's board or other managing entity regarding performance and expenditures. When state or federal law or the terms of this Contract require compliance with OMB Circular A-87, A-110, or other similar provision addressing proper use of government funds, the Contractor shall comply with these additional records retention and access requirements:

i. Records of financial activity shall include records that adequately identify the source and application of funds. When the terms of this Contract require matching funds, cash contributions made by the Contractor and third party in-kind (property or service) contributions must be verifiable from the Contractor's records. These records must contain information pertaining to contract amount, obligations, unobligated balances, assets, liabilities, expenditures, income and third-party reimbursements.

ii. The Contractor shall maintain accounting records supported by source documentation that may include but are not limited to cancelled checks, paid bills, payroll, time and attendance records, and contract award documents.

iii. The Contractor, in maintaining project expenditure accounts, records and reports, shall make any necessary adjustments to reflect refunds, credits, underpayments or overpayments, as well as any adjustments resulting from administrative or compliance reviews and audits. Such adjustments shall be set forth in the financial reports filed with the Agency.

iv. The Contractor shall maintain a sufficient record keeping system to provide the necessary data for the purposes of planning, monitoring and evaluating its program.

v. The Contractor shall retain all medical records for a period of six (6) years from the last date of service for each patient; or in the case of a minor patient or client, for a period consistent with that established by Iowa Code section 614.1(9). Client records, which are non-medical, must be maintained for a period of five (5) years.

27. Audits. Local governments and non-profit subrecipient entities that expend $500,000 or more in a year in federal awards (from all sources) shall have a single audit conducted for that year in accordance with the provisions of OMB Circular A-133 "Audit of States, Local Governments, and Non-Profit Organizations." A copy of the final audit report shall be submitted to the Agency if either the schedule of findings and questioned costs or the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Agency. If an audit report is not required to be submitted per the criteria above, the subrecipient must provide written notification to the Agency that the audit was conducted in accordance with Government Auditing Standards and that neither the schedule of findings and questioned costs nor the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Agency. See A-133 Section 21 for a discussion of subrecipient versus vendor relationships. Contractor shall provide the Agency with a copy of any written audit findings or reports, whether in draft or final form, within 24 hours following receipt by the Contractor. The requirements of this paragraph shall apply to the Contractor as well as any subcontractors

28. Qualifications of Staff. The Contractor shall be responsible for assuring that all persons, whether they are employees, agents, subcontractors or anyone acting for or on behalf of the Contractor, are properly licensed, certified or accredited as required under applicable state law and the Iowa Administrative Code. The Contractor shall provide standards for service providers who are not otherwise licensed, certified or accredited under state law or the Iowa Administrative Code.

29. Solicitation. The Contractor represents and warrants that no person or selling agency has been employed or retained to solicit and secure this Contract upon an agreement or understanding for commission, percentage, brokerage or contingency excepting bona fide employees or selling agents maintained for the purpose of securing business.

30. Obligations beyond Contract Term. This Contract shall remain in full force and effect to the end of the specified term or until terminated pursuant to this Contract. All obligations of the Agency and the Contractor incurred or existing under this Contract as of the date of expiration or termination will survive the termination or expiration of this Contract.

31. Counterparts. The parties agree that this Contract has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument.

32. Delays or Impossibility of Performance. Neither party shall be in default under the Contract if performance is prevented, delayed or made impossible to the extent that such prevention, delay, or impossibility is caused by a "force majeure." The term "force majeure" as used in this Contract includes an event that no human foresight could anticipate or which if anticipated, is incapable of being avoided. Circumstances must be abnormal and unforeseeable, so that the consequences could not have been avoided through the exercise of all due care, such as acts of God, war, civil disturbance and other similar causes. The delay or impossibility of performance must be beyond the control and without the fault or negligence of the parties. "Force majeure" does not include: financial difficulties of the Contractor or any parent, subsidiary, affiliated or associated company of Contractor; claims or court orders that restrict Contractor's ability to deliver the Deliverables contemplated by this Contract; strikes; labor unrest; or supply chain disruptions. If delay results from a subcontractor's conduct, negligence or failure to perform, the Contractor shall not be excused from compliance with the terms and obligations of the Contract unless the subcontractor or supplier is prevented from timely performance by a "force majeure" as defined in this Contract. If a "force majeure" delays or prevents the Contractor's performance, the Contractor shall immediately use its best efforts to directly provide alternate, and to the extent possible, comparable performance. Comparability of performance and the possibility of comparable performance shall be determined solely by the Agency. The party seeking to exercise this provision and not perform or delay performance pursuant to a "force majeure" shall immediately notify the other party of the occurrence and reason for the delay. The parties shall make every effort to minimize the time of nonperformance and the scope of work not being performed due to the unforeseen events. Dates by which performance obligations are scheduled to be met will be extended only for a period of time equal to the time lost due to any delay so caused.

33. Conflict of Interest. Contractor represents, warrants, and covenants that no relationship exists or will exist during the Contract period between the Contractor and the Agency that is a conflict of interest. No employee, officer or agent of the Contractor or subcontractor shall participate in the selection or in the award or administration of a subcontract if a conflict of interest, real or apparent, exists. The provisions of Iowa Code chapter 68B shall apply to this Contract. If a conflict of interest is proven to the Agency, the Agency may terminate this Contract, and the Contractor shall be liable for any excess costs to the Agency as a result of the conflict of interest. The Contractor shall establish safeguards to prevent employees, consultants, or members of governing bodies from using their positions for purposes that are, or give the appearance of being, motivated by the desire for private gain for themselves or others with whom they have family, business, or other ties. The Contractor shall report any potential, real, or apparent conflict of interest to the Agency.

34. Certification Regarding Sales and Use Tax. By executing this Contract, the Contractor certifies it is either (a) registered with the Iowa Department of Revenue, collects, and remits Iowa sales and use taxes as required by Iowa Code chapter 423; or (b) not a "retailer" or a "retailer maintaining a place of business in this state" as those terms are defined in Iowa Code subsections 423.1(42) & (43). The Contractor also acknowledges that the Agency may declare the Contract void if the above certification is false. The Contractor also understands that fraudulent certification may result in the Agency or its representative filing for damages for breach of contract.

35. Right to Address the Board of Directors or Other Managing Entity. The Agency reserves the right to address the Contractor's board of directors or other managing entity of the Contractor regarding performance, expenditures and any other issue as appropriate. The Agency determines appropriateness.

36. Repayment Obligation. In the event that any State and/or federal funds are deferred and/or disallowed as a result of any audits or expended in violation of the laws applicable to the expenditure of such funds, the Contractor shall be liable to the Agency for the full amount of any claim disallowed and for all related penalties incurred. The requirements of this paragraph shall apply to the Contractor as well as any subcontractors.

37. Further Assurances and Corrective Instruments. The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Contract.

38. Reporting Requirements. If this Contract permits other State agencies and political subdivisions to make purchases off of the Contract, the Contractor shall keep a record of the purchases made pursuant to the Contract and shall submit a report to the Agency on a quarterly basis. The report shall identify all of the State agencies and political subdivisions making purchases off of this Contract and the quantities purchased pursuant to the Contract during the reporting period.

39. Immunity from Liability. Every person who is a party to the Contract is hereby notified and agrees that the State, the Agency, and all of their employees, agents, successors, and assigns are immune from liability and suit for or from Contractor's and/or subcontractors' activities involving third parties and arising from the Contract.

40. Public Records. The laws of the State require procurement records to be made public unless otherwise provided by law.

41. Use of Name or Intellectual Property. Contractor agrees it will not use the Agency and/or State's name or any of their intellectual property, including but not limited to, any State, state agency, board or commission trademarks or logos in any manner, including commercial advertising or as a business reference, without the expressed prior written consent of the Agency and/or the State.

42. Taxes. The State is exempt from Federal excise taxes, and no payment will be made for any taxes levied on Contractor's employee's wages. The State is exempt from State and local sales and use taxes on the Deliverables.

43. No Minimums Guaranteed. The contract does not guarantee any minimum level of purchases or any minimum amount of compensation.

M. Civil Rights Requirements.

1. Civil Rights Compliance in Services. The Contractor ensures that no person shall, on the basis of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available through this Contract (Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.)). Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794 et seq.) or Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.) shall also apply to any such program or activity.

2. Civil Rights Compliance in Employment. The Contractor will comply with the following laws, rules, and regulations prohibiting discrimination in employment:

i. Title VII of the Civil Rights Act of 1964, as amended, prohibits discrimination in employment to persons based on race, color, religion, sex, or national origin.

ii. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794 et seq.) and Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.) prohibits discrimination in employment practices and in the provision of services to persons based on a mental or physical disability. (This includes recovering alcohol and substance abusers)

iii. Age Discrimination in Employment Act of 1967 prohibits age discrimination in employment.

iv. Fair Labor Standards – Equal Pay Act of 1963 protects men and women who perform substantially equal work in the same establishment from sex-based wage discrimination.

v. Iowa Civil Rights Act of 1965 (Chapter 216, Code of Iowa), as amended, prohibits discrimination in employment to persons on the basis of their race, creed, color, national origin, sex, disability or age (age includes anyone over the age of 18).

vi. Iowa Executive Order #15 of 1973, as amended by Iowa Executive Order #34 of 1988, prohibits discrimination and outlines affirmative action requirements with regard race, creed, color, religion, national origin, sex, age, and disability status.

vii. The Contractor shall furnish all information and reports requested by the State of Iowa or pursuant to the rules and regulations thereof, and will permit access to payroll and employment records by the State of Iowa to investigate compliance with these rules and regulations.

3. Consideration for Employment. The Contractor shall not discriminate in its employment practices against any employee or applicant for employment because of race, color, religion, sex, national origin, age, or disability. Such employment practices include, but are not limited to, recruitment, hiring, layoff or termination, promotion, demotion, transfer, rates of pay, training, and participation in other forms of upward mobility programs, or other forms of compensation and use of facilities. Furthermore, the Contractor shall, in all solicitations and advertisements for employees, state that all qualified applicants will receive consideration for employment without regard to race, color, sex, national origin, age, or disability.

4. Non-Compliance. In the event of the Contractor's non-compliance with the non-discrimination clauses of this Contract, or with any aforesaid rules and regulations, this Contract may be canceled, terminated, or suspended, in whole, or in part. In addition, the State of Iowa may impose sanctions or additional remedies as provided by the Iowa Civil Rights Act of 1965, or as otherwise provided by law.

5. Contractor Provisions. The Contractor shall include the provisions of subsections 1, 2, and 3 in every subcontract and said provisions shall be binding on each sub-contractor. The Contractor will take such action with respect to any subcontract as the State of Iowa may direct as a means of enforcing such provisions including sanctions for non-compliance.

N. Compliance with Pro-Children Act of 1994. Contractor must comply with Public Law 103-227, Part C Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the Deliverables are funded by federal programs either directly or through State or local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees, and contracts. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities (other than clinics) where WIC coupons are redeemed.

The Contractor further agrees that the above language will be included in any sub-awards that contain provisions for children's services and that all subgrantees shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to $1000 per day.

O. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions. By signing and submitting this Contract, the Contractor is providing the certification set out below:

1. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

2. The Contractor shall provide immediate written notice to the person to whom this document is submitted if at any time the Contractor learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principle, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this document is submitted for assistance in obtaining a copy of those regulations.

4. The Contractor agrees by submitting this document that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Agency or agency with which this transaction originated.

5. The Contractor further agrees by submitting this document that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

6. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. A participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

7. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

8. Except for transactions authorized under paragraph 4 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the Agency or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

The Contractor certifies, by signing and submitting this Contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

Where the Contractor is unable to certify to any of the statements in this certification, such Contractor shall attach an explanation to this document.

P. Certification Regarding Lobbying. By signing and submitting this Contract, the Contractor certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid on behalf of the sub-grantee to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of the Congress, an officer or employee of the Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant loan or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of the Congress, or an employee of a Member of Congress in connection with this Contract, grant, loan, or cooperative agreement, the applicant shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C.A. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Q. Certification Regarding Drug Free Workplace.

1. Requirements for Contractors Who are Not Individuals. If Contractor is not an individual, by signing and submitting the Contract, the Contractor agrees to provide a drug-free workplace by --

i. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

ii. Establishing a drug-free awareness program to inform employees about --

(i) the dangers of drug abuse in the workplace;

(ii) the person's policy of maintaining a drug-free workplace;

(iii) any available drug counseling, rehabilitation, and employee assistance programs; and) any available drug counseling, rehabilitation, and employee assistance programs; and

(iv) the penalties that may be imposed upon employees for drug abuse violations;

iii. Making it a requirement that each employee to be engaged in the performance of such contract be given a copy of the statement required by subparagraph (**i**);

iv. Notifying the employee in the statement required by subparagraph (**i**), that as a condition of employment on such contract, the employee will --

(i) abide by the terms of the statement; and

(ii) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than 5 days after such conviction;

v. Notifying the contracting agency within 10 days after receiving notice under subparagraph (**iv**)(ii) from an employee or otherwise receiving actual notice of such conviction;

vi. Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by 41 U.S.C. § 703; and

vii. Making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (**i**), (**ii**), (**iii**), (**iv**), (**v**), and (**vi**).

2. Requirement for Individuals. If the Contractor is an individual, by signing and submitting the Contract, the Contractor agrees to not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in the performance of the contract.

3. Notification Requirement. Contractor shall, within 30 days after receiving notice from an employee of a conviction pursuant to subsection 1 (**iv**)(ii):

i. Take appropriate personnel action against such employee up to and including termination; or

ii. Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

R. Certification Regarding Compliance with Requirements of Iowa Code Chapter 8F. As a condition of entering into this Contract with the Agency, the Contractor certifies that it has the following information available for inspection by the Agency and the Iowa Legislative Services Agency:

1. Information documenting the legal status of the Contractor, such as agreements establishing it pursuant to Iowa Code chapter 28E or other intergovernmental agreements, articles of incorporation, bylaws, or any other information related to the establishment or status of the Contractor. In addition, the information shall indicate whether the Contractor is exempt from federal income taxes under section 501(c), of the Internal Revenue Code.

2. Information regarding the training and education received by the members of the governing body of the Contractor relating to the duties and legal responsibilities of the governing body.

3. Information regarding the procedures used by the governing body of the Contractor to do all of the following:

i. Review the performance of management employees and establish the compensation of those employees.

ii. Review the Contractor's internal controls relating to accounting processes and procedures.

iii. Review the Contractor's compliance with the laws, rules, regulations, and contractual agreements applicable to its operations.

iv. Information regarding adopted ethical and professional standards of operation for the governing body and employees of the Contractor and information concerning the implementation of these standards and the training of employees and members of the governing body on the standards. The standards shall include but not be limited to a nepotism policy which shall provide, at a minimum, for disclosure of familial relationships among employees and between employees and members of the governing body, policies regarding conflicts of interest, standards of responsibility and obedience to law, fairness, and honesty.

4. Information regarding any policies adopted by the governing body of the Contractor that prohibit taking adverse employment action against employees of the Contractor who disclose information about a service contract to the Contractor, the auditor of state, or the office of citizens' aide and that state whether those policies are substantially similar to the protection provided to state employees under Iowa Code section 70A.28. The information provided shall state whether employees of the Contractor are informed on a regular basis of their rights to disclose information to the Agency, the office of citizens' aide, the auditor of state, or the office of the attorney general and the telephone numbers of those organizations.

5. Pursuant to Iowa Code § 8F.4, Contractor shall file an annual report with the Agency and the Legislative Services Agency within ten months following the end of the Contractor's fiscal year. However, the annual report shall not be required to be filed under any of the following circumstances:
(1) The recipient entity reports information otherwise required to be included in an annual report described in this section to the oversight agency pursuant to federal or state statutes or rules. The information otherwise required to be reported to the oversight agency shall be filed with the legislative services agency. (2) The recipient entity is recognized by the Internal Revenue Code as a nonprofit organization or entity and provides a copy of the internal revenue service form 990 for all fiscal years in which service contract revenues are reported.

The annual report required to be filed pursuant to this section shall contain the following:

i. Financial information relative to the expenditure of state and federal moneys for the prior year pursuant to this Contract. The financial information shall include but is not limited to budget and actual revenue and expenditure information for the year covered.

ii. Financial information relating to all service contracts with the Agency during the preceding year, including the costs by category to provide the contracted services.

iii. Reportable conditions in internal control or material noncompliance with provisions of laws, rules, regulations, or contractual agreements included in external audit reports of the Contractor covering the preceding year.

iv. Corrective action taken or planned by the Contractor in response to reportable conditions in internal control or material noncompliance with laws, rules, regulations, or contractual agreements included in external audit reports covering the preceding year.

v. Any changes in the information covered by the Contractor's Certification Regarding Compliance with Requirements of Iowa Code chapter 8F.

vi. A certification signed by an officer and director, two directors, or the sole proprietor of the Contractor, whichever is applicable, stating the annual report is accurate and the recipient entity is in full compliance with all laws, rules, regulations, and contractual agreements applicable to the recipient entity and the requirements of Iowa Code chapter 8F.

6. The Contractor shall make its records, books, audit reports, and its accountant's audit working papers related to the receipt and expenditure of state or federal funds available to the Auditor of the State of Iowa to conduct a review or audit in accordance with the provisions of Iowa Code section 11.36. The Contractor shall bear the cost of the Auditor's review or audit and shall reimburse the Agency for any costs it pays to the Auditor for such review or audit.

The Contractor agrees to provide any additional information to the Agency or the Iowa Legislative Services Agency upon request.

By signing and submitting this Contract, the Contractor certifies that the Contractor is in full compliance with all laws, rules, regulations, and contractual agreements applicable to the Contractor and the requirements of the Iowa Code chapter 8F.

S. Provisions for Contractors Established in Accordance With Chapter 28E. A Contractor established in accordance with chapter 28E of the Iowa Code, shall be a governmental body for purposes of chapter 21 (Open Meetings) and chapter 22 (Open Records) of the Iowa Code, unless the Contractor or 28E agreement includes public agencies from more than one state.

All proceedings of each regular, adjourned, or special meeting of the Contractor, including the schedule of bills allowed, shall be published after adjournment of the meeting in a newspaper of general circulation within the geographic area served by the Contractor. The Contractor shall furnish a copy of the proceedings to be published to the newspaper within one week following adjournment of the meeting. The publication of the schedule of bills allowed shall include a list of all salaries paid for services performed, showing the name of the person or firm performing the service and the amount paid. However, the names and gross salaries of persons regularly employed by the Contractor shall only be published annually. This Section shall not apply if the Contractor includes public agencies from more than one state.

T. Availability of Data and Records. All data and records, including client information, obtained by the Contractor, in connection with this Contract, shall be made available to and become the property of the Agency.

U. Equipment, Supplies, and Inventory of Property.

1. Equipment and Supplies. "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of $5,000 or more. Equipment includes vehicles. "Supplies" are items and materials with an acquisition cost of less than $5,000.

2. Purchasing Equipment and Supplies. Prior approval must be obtained in writing, from the Agency, for the purchase of any equipment that involves $5,000 or more of Agency funds. Supplies are allowable as direct costs and may be purchased without specific Agency approval. All purchasing will be conducted according to regulations contained in the Office of Management and Budget (OMB) Federal Management Circular A-110, Attachment O (or A-102, if applicable).

3. Disposition of Equipment. Prior approval must be obtained, in writing, from the Agency, for the disposal of unneeded equipment which was purchased with program funds and whose estimated fair market value, at the time of disposal, is $5,000 or more. Proceeds resulting from the sale of equipment must be credited to the program that made the purchase.

4. Rental and Lease Requirements. The rental or lease of equipment or vehicles must be prior approved by the Agency when the rental or lease cost is $5,000 or more.

5. Inventory of Property. The Contractor shall keep an inventory of all property purchased with funds under this Contract that has a unit value of $5,000 or more. The inventory records must include the following:

i. Description of property

ii. Manufacturer's serial number, model number, Federal stock number, national stock number, VIN number, or other identification number

iii. Source of the property, including the award number

iv. Whether the title vests in the recipient or the Federal government
v. Acquisition date and cost
vi. Location and condition of the property and the date the information was reported
vii. Unit acquisition cost
viii. Ultimate disposition information, including date of disposal and sales price or method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share

6. Physical Inventory. The Contractor must conduct a physical inventory of property and reconcile the results with the property inventory records at least once every two years. This process must include verifying the existence, condition, and location of the property.

7. Inventory Control. The Contractor must implement an inventory control system to ensure adequate safeguards to prevent loss, damage, or theft of property. Any loss, damage, or theft must be investigated and fully documented.

8. Property Maintenance. The Contractor must implement adequate maintenance procedures to ensure the property is kept in good condition.