



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

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

|                             |                               |           |         |                                 |
|-----------------------------|-------------------------------|-----------|---------|---------------------------------|
| Department                  | Originator Name               | Telephone | Date    | Signature of Application Author |
| Family and Support Services | Brandie Knazze                | 3-0155    | 3/31/17 |                                 |
| Contract Liaison            | Email Contract Liaison        | Telephone |         |                                 |
| Joann Kirby                 | joann.kirby@cityofchicago.org | 3-0786    |         |                                 |

|  |  |
|--|--|
| List Name of NCRB Attendees/Department   |  |
| Brandie Knazze, DFSS<br>Samantha Aigner-Treworgy, DFSS/Mayor's Office<br>Carleton Nolan, DoIT<br>Joann Kirby, DFSS |  |

|   |                        |                         |
|---|------------------------|-------------------------|
| Request NCRB review be conducted for the product(s) and/or service(s) described herein.   |                        |                         |
| Company: Nulinx International, Inc  |                        |                         |
| Contact Person:<br>Hamid Kelishadi  | Phone:<br>818.304.0110 | Email:<br>hk@mycopa.com |
| Project Description: We are respectfully requesting a contract modification to the Nulinx contract PO 34352 for the COPA/CABS system. We would like to exercise the one year renewal period from 1/27/18 to 1/26/19 and request a vendor limit increase to cover services for the renewal period as well add additional work needed to complete the parent portal for the Universal Head Start Program. |                        |                         |
| <b>This is a request for:</b><br><input type="checkbox"/> New Contract<br><input checked="" type="checkbox"/> Amendment / Modification  |                        |                         |
| <b>Contract Type</b><br><input type="checkbox"/> Blanket Agreement Term: ____ (# of mo)<br><input type="checkbox"/> Standard Agreement  |                        |                         |
| <b>Type of Modification</b><br><input checked="" type="checkbox"/> Time Extension <input checked="" type="checkbox"/> Vendor Limit Increase <input checked="" type="checkbox"/> Scope Change<br>Contract Number: <u>34352</u><br>Specification Number: <u>134993</u><br>Modification Number: <u>161620</u>  |                        |                         |

|  |  |
|--|--|
| <b>Department Request Approval</b><br><br>DEPARTMENT HEAD OR DESIGNEE<br>Lisa Morrison Butler<br>PRINT NAME<br>DATE 4/4/17 | <b>Recommended Approval</b><br>_____<br>BOARD CHAIRPERSON<br>DATE<br>_____<br>PRINT NAME |
|--|--|

|                                  |
|----------------------------------|
| (FOR NCRB USE ONLY)              |
| Recommend Approval/Date: _____   |
| Return to Department/Date: _____ |
| Rejected/Date: _____             |

☐ Approved      ☐ Rejected

\_\_\_\_\_  
CHIEF PROCUREMENT OFFICER

\_\_\_\_\_  
DATE



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

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

**Justification for Non-Competitive Procurement Worksheet**

☐ **PROCUREMENT HISTORY**

1. Describe the requirement and how it evolved from initial planning to its present status.

Nulinx International, Inc. provides the Child Outcome Planning and Administration (COPA) software application to the Department of Family and Support Services (DFSS) Children Services Division. DFSS first entered into a contract with Nulinx International, Inc. on June 1, 2004 under PO 6780. This contract was awarded to correct the final area of non-compliance for the City of Chicago's Head Start Program. The initial contract was procured as an emergency contract when it was realized that reconfiguring the tracking database in use at the time (the Head Start Eligibility Verification database) was taking longer than expected. Nulinx was identified with the assistance of Business Information Systems (now known as the Department of Innovation and Technology (DoIT)) as the only source which would meet all of our tracking needs for family and child data in addition to eligibility and enrollment. This functionality was important because it ties directly to DFSS' ability to reimburse its delegate agency service providers accurately and in a timely manner. These functions were and are still managed by Nulinx's COPA program.

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

DFSS' current highly customized version of COPA is vital and unique because of the size of our Head Start grant and the complexity created by managing two child care programs in one database. The City of Chicago's Head Start program is one of the largest single operating Head Start grants in the country and our IDHS Childcare program serves an additional 1,400 children. As such, we track over 20,000 children and associated case files using the COPA system on a daily basis.

Effective July 1, 2017, DFSS will take over the responsibility and oversight for 15,000-20,000 children from the CPS Community Based Partnership Program and this system design will help us track data for 15,000 children participating in the CPS school-based programs.

Initially, DoIT and DFSS had hoped to transition COPA from Nulinx to AdsysTech's ECM solution by 2018. In 2016, DFSS and DoIT worked with AdSysTech as an existing City of Chicago technology vendor to build an online application for preschool enrollment to help fulfill Mayor Rahm Emanuel's second term transition priorities to streamline the preschool enrollment process for families. After building and launching the system, it became clear that AdSysTech was not able to meet our long-term needs for enrollment and program management of the early childhood system in Chicago with their Enterprise Case Management (ECM) software licensed by the City of Chicago. There were three major issues that we addressed with AdsysTech after the launch of the application in Spring/Summer of 2016, which included:

A) The usability of the system: the family portal that was open to the public was very difficult to navigate. We received a high number of complaints and support calls from parents that were unable to make their way through the system. In addition, a key component of the execution strategy was the availability of "application assistants" who were trained to help families support the application. The technology was so difficult to use that the efficacy of this role was severely limited and we did not see a rise in the accessibility of the application process that we anticipated.

B) The integration with other existing data systems: In order for the application system to function for our school and community-based preschool programs, it must be aligned and integrated into the other existing databases used for program monitoring and management. This was a significant challenge for AdsysTech, and we were assured that this



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issue could not be adequately fixed as we headed into the redevelopment for the 2017 application process.

C) Extracting usable data: In order to have a data-driven policy development process and to adequately evaluate our on the ground recruitment efforts, we need to receive timely, consistent, and reliable data from the application system. This was a significant issue in the first year of implementation. Our staff working on the system often had to spend days or weeks cleaning up and checking reports from ECM in order to provide the data to inform our marketing, outreach, and slot allocation distribution across the City.

After extensive deliberation with AdSysTech, DoIT, and the program management teams responsible for the application, we decided to maintain COPA and use the system's newly developed parent portal to replace the ECM parent application that was not working for Chicago's programming.

Due to our collaborative partnership with Nulinx, COPA is a sophisticated and flexible tool that will allow DFSS maintain a parent portal, run a variety of reports and manipulate data to help us make data-driven decisions.

2. Is this a first time requirement or a continuation of previous procurement from the same source?

This is a continuation of services. A contract (PO 34352) was recently awarded on January 25, 2017 for the term January 27, 2017 to January 26, 2018 with a one year renewal period. This contract was approved by the city as a non-competitive procurement on January 6, 2016.

The Department of Family and Support Services (DFSS) is requesting a vendor limit increase and approval to exercise the one year renewal period.

The vendor limit increase is to cover services for the renewal period January 27, 2018 to January 28, 2019 plus additional work that needs to be done to create the portal that is part of the Mayor's 2015 Second Term Priorities.

When DFSS met with the NCRB in 2015, we had initially planned to only continue COPA through 2018 while we transitioned to Asystech's Enterprise Case Management (ECM) solution with Adsystech, Inc. (PO 20935). This past summer, AdSysTech was supposed to deliver phase 1 of the parent portal. Unfortunately, there were many problems with the solution and some parents had to use paper applications. Additionally, the project came in over budget and key deliverables were not provided. Given the importance of this project to the City's federal and state funding and for parent access to our early childhood programming, it was determined that ECM was not the appropriate solution for Phase 2 of the parent portal.

Nulinx is able to launch the parent portal for the Universal Application by July 1, 2017 for the fall school year and provide the functionality that we need.

While not awarding this contract is possible, it would place the Head Start, Child Care and CPS programs in jeopardy with our grantors as we would not be able to collect family and child data, reimburse our delegate agency providers and report on outcomes. Additionally, based on the complexity of our needs, and the customization of COPA, the system cannot be readily duplicated.

DFSS and DoIT are focused on implementing the Universal Preschool Application and will work together to develop the appropriate IT solution for 2019. However, given the amount of work that needs to be done to take over the CPS delegate agencies and complete the Universal Application, the team is focused on the immediate project steps.

3. Explain attempts made to competitively bid the requirement.

DFSS began working with DoIT in 2015 to determine if the City's ECM solution was appropriate to manage the Head Start and Child Care program data. DFSS initially planned to participate in a POC process to determine if ECM was acceptable. However, in January 2016 the plan to do a POC was changed and a decision was made to move forward with ECM for developing the Early Learning Portal. From January 2016 to December 2016, DFSS and DoIT worked very hard to try and make the relationship with Adsystech work. However, in the end, the company was not able to deliver the project on time, within budget and with the appropriate deliverables. DFSS had to develop numerous work arounds and a maintain paper process for the 2016 enrollment process.





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In January 2017, the decision was made by DFSS and DoIT to not proceed with ECM due to the system limitations and previous year's concerns. At the same time, Nulinx contacted the city and suggested that the company's parent portal could work as a solution for DFSS. It was determined that enhancements to the current COPA system would work as a feasible and timely solution while a longer term solution is determined.

**4. Describe all research done to find other sources.**

The previous contract with Nulinx International, Inc. was awarded through a non-competitive process. DFSS is working with DoIT to determine the most optimal solution to manage the child and family data without having a gap in service delivery.

**5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?**

A contract amendment is needed so that DFSS can continue to pay the current vendor for services in 2018. In order to have the time to support a competitive process for selecting a future technology solution given the comprehensive nature of the required grant management, we would like to sustain utilization of the COPA system through FY18. This will ensure that we have the time to thoughtfully review our needs and perform a competitive procurement.

**6. Explain whether or not future competitive bidding is possible? If not, why?**

DFSS will work with DPS and DoIT to draft requirements for a new RFP to purchase a system for our Early Learning Head Start, State Early Childhood Block Grant and Child Care data management services. However, time is needed to launch Phase 2 of the application, onboard the new CPS agencies and develop the RFP specifications. During the planning phases, access to COPA is still needed to handle reporting and program data to ensure we can keep the grant. Without access to the system, DFSS will not be able to complete basic tasks, including enrolling students, paying delegate agency service providers, tracking child and family data and running reports.

☐ **ESTIMATED COST**

What is the estimated cost for this requirement?

For 2017, the cost will be increased from \$579,600 to \$887,600. \$579,600 was previously approved by the NCRB for FY17. The additional \$308,000 will support the rollout of the 2017 parent portal and the additional 20,000 children and families that will need to be enrolled in the system as a result of the CPS consolidation project. This is a 100% increase from the current number of children and families DFSS currently supports.

DFSS will use funds from its Head Start, Child Care and CPS grant money given that the primary purpose of COPA is to manage Head Start and early learning information. During this time, Nulinx will not only implement the parent portal/universal application, but also continue to provide data tracking and reporting functions, eligibility, attendance, assessment, assessment outcomes, health, disability goals, visits, child and family service provision, and state, federal and local reporting. COPA also will continue to provide human resource professional development tracking, e-mail reminders and calendar tasks and other resource management features.

For 2018, the cost of the subscription and maintenance of COPA and the parent portal will be \$1,011,200. The increase will support a full year of services described above.

**2. What is the estimated cost by fiscal year?**

The estimated cost for fiscal year 2017 will be increased to \$887,600 after the VLI of \$308,000.



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The estimated cost for fiscal year 2018 is \$1,011,200.

**3. Explain the basis for estimating the cost and what assumptions were made and/or used.**

Due to the implementation of the parent portal, system enhancements are needed to support the universal application, and integration with other data sources. Additional fees are needed broaden the scope of work given that we are potentially increasing the number of families we serve from 21,000 to up to 50,000. We anticipate the usage on the system will double with the addition of new DFSS staff, delegate sites and families. Likewise, it is only natural that our costs for these services would increase. While we expect over a 100% percent increase in the number of children and families we will serve, the cost of services will only increase approximately by 74%.

**4. Explain whether the proposed Contractor or the City has substantial dollar investment in original design, tooling or other factors which would be duplicated at City expense if another source was considered**

Nulinx has provided services to DFSS's Children Services Division since June 1, 2004. While the system was initially purchased as an off-the-shelf system, the City has invested significant time and money in the customization of COPA. These customizations allow DFSS to maintain compliance with its Head Start and Child Care grants, as well as manage the caseloads and reporting requirements. Nulinx has worked with DFSS to create a system that is based around our specific needs and requirements. Before another system can be selected to provide program management and reporting services, our specific requirements need to be drafted, the system needs to be configured and tested and DFSS staff along with our delegate agencies will need time to transition from the COPA system to a new system.

**5. Explain what negotiation of price has occurred or will occur?**

DFSS has been in negotiations with Nulinx since February 2017 to discuss the most cost effective way to on board the additional 300 delegate agency sites and approximately 20,000 to 30,000 new children and families. Nulinx was very willing to negotiate its pricing and provide the reporting components at reduced rates. Additionally, given the cost for services we paid in 2016 with ECM, the current prices for Nulinx are very reasonable.

☐ **SCHEDULE REQUIREMENTS**

**1. Explain how the schedule was developed and what point the specific dates were known.**

DFSS held a meeting with Commissioner Berman in March 2015. As a result of that meeting, DFSS staff was tasked to work with DoIT to set-up demonstrations of the ECM system by the end of March. The intention was to have Adsystem Inc. schedule a demonstration of the system with an agency that currently uses ECM for Early Childhood and Childcare Programs. The Community Action Partnership of Lake County was selected by Adsystem to present their ECM solution. Due to scheduling conflicts, the demonstration was rescheduled several times between March and July. The demonstration was finally held on July 7, 2015 at DFSS.

Based on the information that was provided in the demonstration, DFSS agreed to proceed with engaging Adsystem Inc. to develop a Proof of Concept (POC). In January 2016, the decision was made to not proceed with the POC and use ECM as the solution for the early learning program. Unfortunately, by December 2016, it was clear to DoIT and DFSS that ECM was not the appropriate solution due to the solution's limited capacity, project delays and unmet deliverables. It was agreed by DoIT and DFSS that we should continue with COPA as the solution for the 2017 – 2018 program year.

In order to achieve the necessary launch timeframe for the 2017-18 program year, we are requesting the ability to contract with COPA for the development of our second year of the online application. This will ensure that we can have our staff trained on the new functionality in time for the early summer launch. In order to have the time to support a competitive process for selecting a future technology vendor, we would like to sustain utilization of the COPA system through FY18. This will ensure that we have the time to thoughtfully perform a competitive procurement for the future.

We intend to begin a competitive bid process for a program management tool that can meet the evolving needs of our overall early childhood program, including bridging the information technology systems across various settings in



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which our services are delivered (center-based child care, faith-based providers, schools, and family child care). This competitive process will include:

- A full internal analysis on the needs of a technology system in our new model of early childhood implementation, including universal full-day preschool
- Interviews with stakeholders from a variety of perspectives to help define the comprehensive suite of services needed from the new information technology system for managing the new program
- Development of a comprehensive set of requirements for an RFP that encompasses the full early childhood landscape needs

Finally, we intend to begin this process this fall, after the launch of the universal online application, to complete the necessary requirements with enough time to have a decision made prior to the launch of the application for the 2019-20 school year.

**2. Is lack of drawings and/or specifications a constraining factor to competitive bidding?**

This request does not require drawings or specifications.

**3. Outline the required schedule by delivery or completion dates and explain the reason why the schedule is critical.**

Below is an outline of the current implementation schedule

- a. Onboard new CPS agencies – March – July 2017
- b. Launch the parent portal/universal application – July – September 2017
- c. Ensure all staff, parents and delegate agencies are properly trained on the system – August – September 2017
- d. Draft scope for new RFP – Starting November 2017

The system updates will need to be completed by July to meet the Fall enrollment schedule for schools.

**4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs and budgeted funds.**

We are requesting a contract amendment and VLI in order to launch the Phase 2 online application and continue services through FY18. By the fall of 2017, we will begin developing a RFP for competitive bidding.

Operating our Head Start, Child Care and Community Partnership programs without access to COPA would be detrimental to DFSS. Our ability to efficiently and effectively operate our Head Start, Child Care and CPS grants would be jeopardized and it would impede our ability to process vouchers for services to these delegate agency providers. In addition, we would be placed out of compliance with our funders and risk losing future funding. Currently, our Head Start grant with the U.S. Department of Health and Human Services is one of the largest grants the City receives, at approximately \$130,000,000 annually.

☐ **EXCLUSIVE OR UNIQUE CAPABILITY**

1. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, and/or other factors make this person or firm exclusively or uniquely qualified for the project. Attach a copy of the cost proposal, scope of services, and Temporary Consulting Services Form.

Not applicable.

**2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?**

Nulinx International, Inc. is the developer, sole proprietor and operator of the COPA system. As such, their personnel





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is highly skilled and well-trained in working with this unique system and in this field.

3. What prior experiences of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project or program?

Nulinx International, Inc. is the developer, sole proprietor and operator of the COPA system. There are not other providers of COPA. While there are other providers who provide similar services (as determined by Head Start regulations), none of them provide the COPA system itself. Additionally, Nulinx International is the only organization in the country providing combined Head Start and Child Care tracking and reporting in combination with site monitoring, work flow process, and integrated billing and reimbursement functions under one platform. This alone makes COPA a unique system.

4. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?

Not applicable.

5. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?

As the only provider of the COPA system, Nulinx is considered a unique and predominant leader in the child outcomes, assessment and reporting field. In addition, Nulinx has uniquely customized this application to DFSS to allow us to meet the needs of our funders and process large volumes of information. The system is able to process over 50,000 individual case files and provides significant reporting and monitoring capabilities based on the data that is entered. Based on our current requirements, it will take some time to develop the requirements for a new system that is as robust as COPA. Additionally, DFSS's experience with Nulinx has only been positive.

6. If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features and/or functions the items have which no other brands or models, possess. Is compatibility with existing equipment critical from an operational standpoint? If so, provide detailed explanation?

Not applicable.

7. Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data (attach documentation verifying such)?

Nulinx's COPA system uses proprietary software. However, DFSS would a vendor limit increase and one year contract extension to develop system requirements and determine if other system solutions are available while we implement phase 2 of the online application.

8. If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources? If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center? If so, attach letter from manufacturer on company letterhead.

Not applicable.

☐ **OTHER**

1. M/WBE Compliance Plan - Nulinx has submitted a request for a waiver to DFSS. This is included in the submission.

2. The following documents are being submitted for reference:

- a. Nulinx Scope of Services
- b. Proposed Budget for 2017 VLI and 2018 Cost of COPA Services
- c. Insurance Certificate
- d. Proof of EDS
- e. Applicable Grant Agreements



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

### INSTRUCTIONS FOR PREPARATION OF NON-COMPETITIVE PROCUREMENT APPLICATION

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

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

#### PROCUREMENT HISTORY

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

#### ESTIMATED COST

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

#### SCHEDULE REQUIREMENTS

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

#### EXCLUSIVE OR UNIQUE CAPABILITY

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

#### MBE/WBE COMPLIANCE PLAN

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

#### OTHER

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

#### REVIEW AND APPROVAL

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



DEPARTMENT OF FAMILY AND SUPPORT SERVICES  
CITY OF CHICAGO

**MEMORANDUM**

**To:** Jamie Rhee  
Chief Procurement Officer  
Department of Procurement Services

**Attn:** Rich Butler  
First Deputy Procurement Officer  
Department of Procurement Services

**From:**   
Lisa Morrison Butler  
Commissioner  
Department of Family and Support Services

**Subject:** 1 Year Contract  
Vendor: Nulinx International, Inc.  
Purchase Order: 34352  
Specification: 134993  
Requisition Number: 161620

**Date:** April 24, 2017

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The Department of Family and Support Services (DFSS) is requesting a one year contract extension from January 27, 2018 to January 26, 2019 and vendor limit increase of \$1,319,200 for the COPA system with Nulinx International, Inc. (PO 34352) for our Children Services Division.

In 2016, the City of Chicago worked with AdSysTech as an existing City of Chicago technology vendor (PO 20935), to build an online application for preschool enrollment to help fulfill Mayor Rahm Emanuel's second term transition priorities to streamline the preschool enrollment process for families across the city<sup>1</sup>. After building and launching the system, it became clear that AdSysTech was not able to meet our long-term needs for enrollment and program management of the early childhood system in Chicago with their Enterprise Case Management (ECM) software licensed by the City of Chicago. There were three major issues that we addressed with AdSysTech after the launch of the application in Spring/Summer of 2016, which included:

1. The usability of the system: The family portal that was open to the public was very difficult to navigate. We received a high number of complaints and support calls from parents that were unable to make their way through the system. In addition, a key component of the execution strategy was the availability of

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<sup>1</sup> See the "Emanuel Administration – Second Term Priorities Committee" document (Attachment 1). Initiatives 14 – 17 provide further details for the project with CPS.

“application assistants” who were trained to help families support the application. The technology was so difficult to use that the efficacy of this role was severely limited and we did not see a rise in the accessibility of the application process that we anticipated.

2. The integration with other existing data systems: In order for the application system to function for our school and community-based preschool programs, it must be aligned and integrated into the other existing databases used for program monitoring and management. This was a significant challenge for AdSysTech, and we were informed that this issue could not be adequately fixed as we headed into the redevelopment for the 2017 application process.
3. Extracting usable data: In order to have a data-driven policy development process and to adequately evaluate our on the ground recruitment efforts, we need to receive timely, consistent, and reliable data from the application system. This was a significant issue in the first year of implementation. Our staff working on the system often had to spend days or weeks cleaning up and checking reports from ECM in order to provide the data to inform our marketing, outreach, and slot allocation distribution across the City.

After extensive deliberation with AdSysTech, the Department of Innovation and Technology, and the program management teams responsible for the application, we determined that our current provider, Nulinx, was developing a parent portal to use with their COPA database system. Through extensive conversations and collaboration, it appears that this solution will help DFSS achieve the goals of the online application set forth by the Mayor in his second term. It will also help DFSS overcome the challenges that made the ECM system ineffective for Chicago’s preschool enrollment process.

On July 1, 2017, 104 community-based partners that contract with the Chicago Public Schools will become delegate agencies through DFSS. This is another step towards achieving the consolidated early learning application process. The vendor limit increase will support the additional services with developing the application and ongoing maintenance for 2018. The COPA system manages our \$145 million Early Childhood and Child Care Assistance Program grants plus the \$60 million grant from CPS for the Community Partnership Program. It is a risk to DFSS and the city if this system is not in place as it could jeopardize our super grantee status.

A DPS Project Checklist and supporting documents are included to the submission packet to the NCRB board on April 4, 2016.

If you should have any questions, please feel free to contact Brandie Knazze at 312-743-0155.

Thank you.

Attachment 1 – Emanuel Administration Second Term Priorities Committee

cc: Danielle DuMerer, DoIT  
Jonathan Ernst, DFSS  
Carleton Nolan, DoIT

Samantha Aigner-Treworgy, Mayor’s Office  
Brandie Knazze, DFSS  
Joann Kirby, DFSS

## Project Checklist

Attach required forms for each procurement type and detailed scope of services and/or specifications and forward original documents to the Chief Procurement Officer; City Hall, Room 806.

**Date:**  
April 3, 2017

**Department Name:**  
DFSS

**Requisition No:**  
161620

**Specification No:**  
134993

**PO No:**  
34352

**Modification No:**

**Contract Liaison:**  
Joann Kirby

**Telephone:**  
312-743-0786

**Email:**  
joann.kirby@cityofchicago.org

**Project / Program Manager:**  
Brandie Knazze

**Telephone:**  
312-743-0155

**Email:**  
brandie.knazze@cityofchicago.org

For blanket agreements, original or lead department must consult with other potential departments who may want to participate on the blanket agreement. If grant funded, attach copy of the approved grant application and other terms and conditions of the funding source. Note: 1) **Funding:** Attach information if multiple funding lines; 2) **Individual Contract Services:** Include approval form signed by Department Head and OBM; 3) **ITGB:** IT project valued at \$100,000.00 or more, attach approval transmittal sheet.

\*By signing this form, I attest that all information provided is true and accurate.

\*Contract Liaison Signature

*Joann Kirby*

**Project Title:**

Contract Modification Request for COPA Subscription Services

**Project Description:**

Contract modification for PO 35352 with Nulinx International. DFSS is requesting a contract extension for one year and a vendor limit increase of \$1,319,200. There are a total of 4 funding strips. Two are listed below: OT23-0502005-0100-220166-16PA10 = \$77,352 and OT11-0502005-0100-220166-16PA30 = \$94,460. The other two are listed under funding.

**Funding:**

|                                       |                                       |                                     |   |                                 |
|---------------------------------------|---------------------------------------|-------------------------------------|---|---------------------------------|
| <input type="checkbox"/> Corporate    | <input type="checkbox"/> Bond         | <input type="checkbox"/> Enterprise | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Other: |
| <input type="checkbox"/> IDOT/Transit | <input type="checkbox"/> IDOT/Highway | <input type="checkbox"/> FHWA       | <input type="checkbox"/> FTA              | <input type="checkbox"/> FAA    |

| LINE | FY  | FUND | DEPT | ORGN | APPR | ACTV   | PROJECT | RPTG   | ESTDOLLAR AMOUNT |
|------|-----|------|------|------|------|--------|---------|--------|------------------|
|      | 016 | 0N99 | 050  | 2005 | 0100 | 220166 |         | 16PG90 | \$1,095,820      |
|      | 016 | 0N98 | 050  | 2005 | 0100 | 220166 |         | 16PG80 | \$51,568         |

Check One:

☐ New Contract Request

\*By signing below, I attest the estimates provided for this contract are true and accurate.

\*Project / Program Manager Signature

*Brandie V. Knazze*

\*Commissioner/Authorized Designee Signature

*Brandie V. Knazze*

**Purchase Order Information:**

**Contract Term (No. of Months):** 12

**Extension Options (Rate of Recurrence):** 1

**Estimated Spend/Value:** \$ 1,319,200.00

**Grant Commitment / Expiration Date:**

**Pre-Bid/Submittal Conference:** ☐ Yes ☒ No

☐ Mandatory ☐ Site Visit

☒ **Modification or Amendment**

**Modification Information:**

**PO Start Date:** 1/27/2018

**PO End Date:** 1/26/2019

**Amount (Increase/Reduction):** \$ 1,319,200

**MBE/WBE/DBE Analysis:** (Attach MBE/WBE/DBE Goal Setting Memo)

☐ Full Compliance ☐ Contract Specific Goals

☒ No Stated Goals ☐ Waiver Request

**Risk Management / EDS**

**Insurance Requirements (included)** ☒ Yes ☐ No

**EDS Certification of Filing (included)** ☒ Yes ☐ No

**Purchase Order Type:**

☒ Blanket/Purchase Order (DUR)

☐ Master Consultant Agreement (Task Order)

☐ Standard/One-Time Purchase

**Procurement Method:**

☐ Bid ☐ RFP ☐ RFQ ☐ RFI

☐ Small Order

**Special Approvals Required:**

☐ Emergency

☒ Non-Competitive Review Board (NCRB)

☐ Request for Individual Contract Services

☒ Information Technology Governance Board (ITGB)

**Contract Type:**

☐ Architect Engineering ☐ Commodity ☐ Construction ☐ JOC ☐ SBI

☒ Professional Services ☐ Revenue Generating ☐ Vehicle & Heavy Equipment

☐ Work Service ☐ Joint Procurement ☐ Reference Contract

**Modification/Amendment Type:**

☒ Time Extension ☒ Scope Change/Price Increase /Additional Line Item(s)

☒ Vendor Limit Increase ☐ Requisition Encumbrance Adjustment

☐ Other (specify):

**Vendor Info:**

**Name:** Nulinx International, Inc.

**Contact:** Hamid Kelishadi

**Address:** 18425 Burbank Boulevard, Suite 614, Tarzana, CA 91356

**E-mail:** HK@mycopa.com

**Phone:** 818-304-0110





March 17, 2017

Ms. Brandie Knazze, Deputy Commissioner  
Department of Family and Support Services  
1615 West Chicago Avenue  
Chicago, IL. 60622

Re: 2018 Budget

Dear Ms. Knazze,

Please find our proposed budget and cost schedule for customizations, maintenance and support with regards to COPA services for the City of Chicago for the year 2018.

**2018 Budget and Cost Schedule for COPA Software**

|   |           |
|---|-----------|
| • Subscription fee for COPA Software and Support  | \$625,000 |
| • Subscription Fee for COPAorg  | \$ 95,000 |
| • COPAnet Intranet solution Subscription  | \$ 12,600 |
| • COPAnet Intranet solution Subscription. "my.fssagency.com"  | \$ 12,600 |
| • COPAnet Intranet solution. "my.fssagency.com" Email Archiving   | \$ 12,000 |
| • Monthly Subscription Fee for COPA. CysTraining.mycopa.com   | \$ 12,000 |
| • Subscription Fee for e-docs (1TB)   | \$ 12,000 |
| • CABS and Billing Module for State Child Care  | \$ 30,000 |
| • Various process enhancements, customizations, reports and integration projects related to universal application parent portal and interaction and data exchange with the Chicago Early Learning interactive system and IMPACT | \$200,000 |

**Total: \$1,011,200**



If you have any questions, please do not hesitate to contact me.

*hamid kelishadi*

Hamid Kelishadi



Child Outcome, Planning & Administration

**By Nulinx Int'l, Inc.**  
18425 Burbank Blvd., Suite 614  
Tarzana, CA 91356  
Office: 818.304.0110  
[hk@mycopa.com](mailto:hk@mycopa.com)



March 17, 2017

Ms. Brandie Knazze, Deputy Commissioner  
Department of Family and Support Services  
1615 West Chicago Avenue  
Chicago, IL. 60622

Re: 2017 Budget Amendment

Dear Ms. Knazze,

Please find our proposed budget and cost schedule for customizations and additional maintenance and support with regards to implementation of Chicago's universal application, till the end of the year 2017.

**2017 Budget and Cost Schedule**

- |   |           |
|---|-----------|
| • Customization of Parent Profile and sign up process in English and Spanish      | \$10,000  |
| • Customization of Parent Portal to initiate, save and submit applications        | \$25,000  |
| • Generation of Offer /Decline/Waitlist Process based on dynamic slot allocations | \$20,000  |
| • Auto-generation of notifications to parent and support staff                    | \$10,000  |
| • Generation of slot allocation monitoring reports & slot exp. tracking           | \$15,000  |
| • Going live, implementation and deployment on live servers                       | \$25,000  |
| • Staff training, manuals and a parent side training video                        | \$15,000  |
| • Post-Implementation adjustments based on implementation feedback                | \$30,000  |
| • Integration and interaction with IMPACT   | \$50,000  |
| • Additional Increase in Subscription fee for COPA Software and Support           | \$108,800 |

**Total: \$308,000**



If you have any questions, please do not hesitate to contact me.

*hamid kelishadi*

Hamid Kelishadi



Child Outcome, Planning & Administration

**By Nulinx Int'l, Inc.**

18425 Burbank Blvd., Suite 614

Tarzana, CA 91356

Office: 818.304.0110

[hk@mycopa.com](mailto:hk@mycopa.com)





## Proposed DFSS Project

Nulinx International is an active solution provider to the Early Childhood, Community Service Agencies, City and State governments. Nulinx International Inc.'s flagship software COPA, provides enhanced child, family, staff and resource data management, reporting, monitoring and collaboration tools, that is provided as a fully hosted solution.

COPA provides a robust software technology with various modules and features including Enrollment, Eligibility, Attendance, Assessment, Outcome, Health, Disability, Goals, Visits, child and family service tracking along with federal and local reporting. COPA also provides, HR, professional development, calendaring, email reminders and resource management features.

COPA is a hosted web-based solution. Some of COPA's features and services are as follows;

1. Providing COPA software for data collection, reporting and monitoring of early childhood funded program across the City of Chicago.
2. Providing a parent facing portal for submission of universal pre-school applications online.
3. Creation of eligibility and slot allocation methods across multiple funding sources.
4. Creation of slot reallocation and priority processing.
5. Ability to interact with IMPACT, CPS current data tracking system.
6. Ability to interact with Chicago Early Learning website.
7. COPA Monitoring. Ability to document and report on site visits, self assessment and audits.
8. COPA e-docs- Digital library that stores various documents and files that are identified and mapped to a child, family, staff, volunteer, class, site or agency.
9. CABS. COPA Automated Billing System, enabling providers of child care to submit their monthly enrollment reports to DFSS, go through approval process and generate agency wide invoices.
10. Swipe and Scanning feature. A window's based interface that provides the ability to collect attendance data by scanning a child or staff ID card. ID cards are also generated by COPA.



11. Recruitment. Ability to collect a wide pool of pre-application information that allows agencies to filter and qualify eligible candidates for enrollment, without effecting current enrollment and demographics.
12. COPAnet. Intranet/Extranet system providing communication and collaboration tools such as Mail, Calendar, Mailing Lists, Task Management, Directory, File Sharing, Contact Manager, Knowledge base, Automated Help System and more.
13. Customizable Assessment Platform. Allowing DFSS to create multiple customized assessment tools for child, family and staff.

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

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

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

If you have any questions, please do not hesitate to contact me.

*hamid kelishadi*

**Hamid Kelishadi**

Child Outcome, Planning & Administration

**By Nulinx Intl, Inc.**

18425 Burbank Blvd., Suite 614

Tarzana, CA 91356

Office: 818.304.0110

[hk@mycopa.com](mailto:hk@mycopa.com)

EXHIBIT 1

## Scope of Services

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Contractor will provide the following under this Agreement:

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

Contractor's COPA provides data tracking and reporting on Head Start and Child care funded families and children and is a hosted web-based solution. As a hosted solution, all necessary servers, server-side bandwidth, storage, firewall, system administration and maintenance is provided. A dedicated database is setup for City's Department of Family and Support Services (DFSS) encompassing all delegate agencies, sites and classrooms.

"Data" refers to information captured in the COPA/CABS system such as the child, parent, delegate agency, and classroom information that is use to make determinations including, but not limited to system administration, enrollment, registration, placement, eligibility, health standards, and human resources information for the City of Chicago's head start / early head start programs.

"Formatted Data" is provided in structured tables with corresponding data definition tables. Additionally, there may be data transfer documentation to interpret the data provided. This ensures that all Data can be reconciled and easily understood and evaluated. Examples of formatted data can be provided in an Excel, CSV file or any other industry standard database format.

Contractor's COPA will provide its monitoring and site visit tracking software and its collaboration and intranet known as COPAnet to the DFSS, its staff and delegates. (COPAnet is a branded product developed, powered and hosted by Infostreet Inc., and is provided to the City by Nulinx.

Contractor's COPA will provide a window's based interface that is able to read the data scanned and collected by the existing card readers into Contractor's attendance module to monitor and record children's attendance.

The modular nature of COPA will provide a highly customizable solution that can create additional modules and functionalities to match City's need. The scope of customization will be decided and agreed upon by mutual discussions and it will be compatible with the structure of COPA. Customization charges and time of delivery depend on the scope of work and need to be confirmed and finalized per individual specifications. For those customizations the City requirements will be invoiced for the development and maintenance of these customizations.

*Brandon V. Krzyz*

Nulinx retains the ownership of all customization. All future customization will be performed at the agreed hourly rate and by amendment to this Agreement.

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

The City will be responsible for the maintenance of City Data and all other inputs in relation to the users and the children. Contractor will further have access to all user information, children and family information and data within the System on an as needed basis. The City may update the database, user information, child and family information.

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

Contractor will provide customization of the software system. City will approve all customization projects prior to completion. Contractor will retain ownership of all customization.

COPA provides various on-line training resources including a User manual, Frequently Asked Questions, Flash Demos, Help sections and a training site. These resources will be made available to all users.

Additional Services may be required for this project not covered under this Scope of Services. Additional Services will be covered under an amendment to this Agreement.

The COPA family of solutions in this Agreement include COPA, COPAorg and COPAnet.

1. Providing COPA software for data collection, reporting and monitoring of early childhood funded program across the City of Chicago.
2. Ability to track services such as Enrollment, Eligibility, Attendance, Health, Immunization, Disability, Referrals, Developmental, Home Visiting, Goals, Assessments, Transportation, Emergency Contacts, Notification Letters and more.



3. Providing customizable reporting and dynamic dashboards for monitoring and program management.
4. Providing a parent facing portal for submission of universal pre-school applications online. Some of the features include;
  - Parent Sign-up & Profile Creation in English and Spanish
    - Account Creation
    - Forget User name
    - Forget Password
  - Parent and Family Info in English and Spanish
    - PCG General Info
    - PCG Contact Info
    - SCG General Info
    - PCG & SCG Income Info
    - Ability to save and submit at a later time
  - Child Application & Info in English and Spanish
    - Child General Info
    - Multiple checks and balances
    - Customization and addition of additional data points
    - Ability to save and submit at a later time
    - Site Selection based on Agency, zip code, Community are or CEL selection
    - Link to CEL for Site selection info pass from CEL to Universal Application via cookie
    - Initial (Age) Eligibility check
    - Initial Slot Availability check
    - Child Application Submission (along with Family or add to existing family)
    - Moving to Recruitment
    - Eligibility Points Calculation
    - Slot Assignment
5. Creation and maintenance of eligibility and slot allocation methods across multiple funding sources.
  - Slot Allocation setup per Site
  - Slot Allocation mechanism to be executed in real time and on nightly basis on Family Recruitment Conversion list as well as Wait List.
  - Assignment of slot allocation upon submission of application.
  - Assignment of slot allocation upon batch nightly process
  - Re-allocation of slots process
  - Assigning slots to Children on Recruitment List

6. Creation and maintenance of customized notifications and alerts to for parents and staff.
7. Ability to interact with IMPACT, CPS current data tracking system.
  - Setup of a SFTP process for upload of new child applications from IMPACT to COPA on a nightly basis
  - Duplicate and Validity checking
  - Creation of child and family profile in COPA and placing them on the Recruitment List.
  - Development of eligibility point calculation method to be applied to imported children from IMPACT.
  - Development of a slot allocation mechanism to assign and offer slots to imported children
  - Flagging of imported children for special processing
  - Ability to import additional information such as Dental, Vision, Hearing, Immunization and *perhaps* Attendance if feasible, for enrolled children will be considered for implementation in future (Phase II).
  - Definition of a process for Error logs.
  - Creation of a mechanism for an initial sync of mandatory data
8. Creation and maintenance of an API for On-line IMPACT ID checking/generation for children added to COPA directly via Family Portal or COPA pages (NOT via IMPACT Import)
9. Ability to interact with Chicago Early Learning (CEL) website.
  - Site Profile Enhancement in COPA to provide information to CEL
  - Nightly Site info file creation in COPA
  - Nightly Site Info file upload from COPA to CEL (via SFTP site)
  - On-line Site selection passing from CEL to Universal Application (via cookie)

Additional Modules include;

10. COPA Monitoring. Ability to document and report on site visits, self-assessment and audits.
11. COPA e-docs- Digital library that stores various documents and files that are identified and mapped to a child, family, staff, volunteer, class, site or agency.
12. CABS. COPA Automated Billing System, enabling providers of child care to submit their monthly enrollment reports to DFSS, go through approval process and generate agency wide invoices.
13. Swipe and Scanning feature. A window's based interface that provides the ability to collect attendance data by scanning a child or staff ID card. ID cards are also generated by COPA.

14. Recruitment. Ability to collect a wide pool of pre-application information that allows agencies to filter and qualify eligible candidates for enrollment, without effecting current enrollment and demographics.
15. COPAnet. Intranet/Extranet system providing communication and collaboration tools such as Mail, Calendar, Mailing Lists, Task Management, Directory, File Sharing, Contact Manager, Knowledge base, Automated Help System and more.
16. Customizable Assessment Platform. Allowing DFSS to create multiple customized assessment tools for child, family and staff.

COPA will have no extra fees such as licensing, hardware or software installation, user or site fees except for additional licenses, hardware or services requested by the City.

The hosted Software will be supported by the Contractor as defined herein. The support includes telephone and on-line support.

The hosted Software will include the following:

1. Software license to Child Outcome Planning and Administration Software)
2. Software maintenance
3. Software upgrades and software bug fixes
4. Hardware and operating software at Contractor hosted locations
5. Software hosting and connectivity via the internet (world wide web)
6. First level on-line support for Users (username/password notices, system access)
7. On-line support for Department staff
8. Limited phone support for Department staff
9. Access to online help tools
10. Up to date training manuals and quick help guides
11. Primary support hours from 9:00 AM to 5:00 PM Pacific Standard Time (PST)
12. Primary support days Mondays through Friday

The hosting system that provides the Software access will be composed of multiple layers and multiple servers. Each primary function (web/application, database, notifications, interfaces) is controlled by a different layer. The hosting system is structured for 24 hours/7 days a week availability with a goal of 99.99 percent availability during business hours and 99.9 percent availability all other times, including maintenance and upgrades.

The hosting system will provide the following security features:

1. Data and hosted system access is strictly controlled
2. City Data is confidential
3. Hardware and software firewalls installed
4. Servers in locked cabinet in extremely secure co-location facility with redundant power source and internet connectivity.

5. Back-up hosting locations
6. Password protected account for all users
7. Detailed user/transaction audit trails
8. Data encryption availability for data transmission and storage
9. No browser cookies that are not unique 32 character strings randomly generated
10. No client software to install

## **MAINTENANCE AND SUPPORT SERVICES**

During the term of the Agreement, Contractor will continually update the Child Outcome Planning and Administration Software. These updates will be product enhancements and also system modifications. Once tested, software release, updates and maintenance are automatically made available to all users via the City of Chicago's access to the System.

For City queries received by Contractor support personnel from 9:00 AM – 5:00 PM Pacific Standard Time, Monday through Friday except for nationally recognized holidays, the issue will either be answered during the initial telephone/on-line interaction or Contractor will research the issue and provide City with a verbal and written response within four (4) hours of the initial call if it is a Priority 1 or Priority 2 issue as defined herein when possible. Subsequent status updates will be provided either by system-wide communication updates or from an individual from the Contractor support personnel.

For City queries received by Contractor support personnel from 5:00 PM – 9:00 AM Pacific Standard Time, Monday through Friday and on weekends and nationally recognized holidays, the issue will be responded through system-wide communication updates to City no less frequently than noted for the particular Priority or by an individual from Contractor support personnel by 8:00 AM of the following business day when possible. Maintenance and Support managers' wireless telephone numbers will also be available for after-hours emergencies.

Contractor must track all Software bugs and problem requests and those that result in more than a two hour lack of access to the service must be automatically escalated to senior executive management at both Contractor and that of the City. Non crucial software bugs and problems must be addressed within one week when possible and incorporated into the maintenance and support software service. All bugs and software issues are tracked internally by Contractor.

### Priority Levels and Response Times

| Priority        | Definition   | Support  | City Update  |
|-----------------|--|--|--|
| <b>One (1)</b>  | An issue is assigned Priority One if: (1) the Software is inaccessible by City and users; or (2) the Service is materially and generally not functioning in conformance with specifications. | Upon assignment of Priority One, Nulinx immediately creates a task force to work the issue until there is resolution, including all task force members remaining on issue resolution until there is resolution. Nulinx will make commercially reasonable efforts to provide appropriate resolution or appropriate "work around" within two (2) business days of initial notification of issue/error. | City must initially be updated within 4 hours of the in-bound query. After this, the City must be updated every twelve (12) hours. |
| <b>Two (2)</b>  | An issue is assigned Priority Two if one or more significant components of the Software are materially not functioning in conformance with specifications.                                   | Upon assignment of Priority Two, Nulinx immediately creates a task force to work the issue to resolution, including all task force members remaining on issue resolution until there is resolution. Nulinx will make commercially reasonable efforts to provide appropriate resolution or appropriate "work around" within five (5) business days of initial notification of issue/error.            | City must initially be updated within 4 hours of the in-bound query. After this, City must be updated every twenty four (24) hours |
| <b>Standard</b> | All other issues are assigned Standard Priority and are prioritized for resolution in the normal, scheduled process of fixes and enhancements released in monthly service packs.             | Standard Priority issues are prioritized according to severity of the impact across Nulinx's active customer base.   | City will be updated upon request  |



**EXHIBIT 2**

**SCHEDULE OF COMPENSATION**

**YEAR 1 ADDITIONAL SERVICES**

|   |                  |
|---|------------------|
| • Creation of Parent Profile and sign up Process in English and Spanish         | \$10,000         |
| • Creation of a Parent Portal to initiate, save and submit applications         | \$25,000         |
| • Creation of Offer /Decline/Waitlist Process based on dynamic slot allocations | \$20,000         |
| • Auto-generation of notifications to parent and support staff                  | \$10,000         |
| • Creation of slot allocation monitoring reports & slot exp. tracking           | \$15,000         |
| • Going live, implementation and deployment on live servers                     | \$25,000         |
| • Staff training, manuals and a parent side training video                      | \$15,000         |
| • Post-Implementation adjustments based on implementation feedback<br>\$30,000  |                  |
| • Integration and interaction with IMPACT                                       | \$50,000         |
| • Additional Increase in Subscription fee for COPA Software and Support         | \$108,800        |
| <b>Total:</b>   | <b>\$308,000</b> |

**YEAR 2 SERVICES**

- Subscription fee for COPA Software and Support \$625,000
- Subscription Fee for COPAorg \$ 95,000
- COPAnet Intranet solution Subscription \$ 12,600
- COPAnet Intranet solution Subscription. "my.fssagency.com" \$ 12,600
- COPAnet Intranet solution. "my.fssagency.com" Email Archiving \$ 12,000
- Monthly Subscription Fee for COPA. CysTraining.mycopa.com \$ 12,000
- Subscription Fee for e-docs (1TB) \$ 12,000
- CABS and Billing Module for State Child Care(performed in accordance with COPA guidelines, design and policies @ \$150/hour) \$ 30,000
- Various process enhancements, customizations, reports and integration projects related to universal application parent portal and interaction and data exchange with the Chicago Early Learning Interactive system and IMPACT \$200,000

**Total: \$1,011,200**

*Brandi V. Kozel*



March 17, 2017

Ms. Brandie Knazze, Deputy Commissioner  
Department of Family and Support Services  
1615 West Chicago Avenue  
Chicago, IL 60622

Re: Sole Source Provider

Dear Ms. Knazze,

COPA software is a proprietary software that has been developed exclusively by Nulinx International Inc. and it has been in use by more than 4000 users of Chicago's DFSS since 2004 and is being offered to a much larger pool of public schools and community based users across the City.

Over the last 12 years, COPA has been extensively enhanced and customized based on needs and requirements of the City and Department of Family and Support Services. This highly customized version of COPA is a unique solution with the complexity to manage multiple Federally, State and locally funded child care programs in one database.

In addition, COPA is in the forefront of the Early Childhood Education centralized application process, a Mayor Rahm Emanuel's *Chicago: Ready to Learn!* Initiative, and is further enhanced to help manage resources of CPS and the Department of Family and Support Services (DFSS) under one early education system. COPA will be used by programs across the city, expanding access to schools and community based organizations for improving the quality of early childhood programs' reporting, monitoring and data collection.

COPA's implementation of Chicago's unique parent facing universal application, enables families to seek services across the City and empowers providers to offer services to their full enrollment capacity.

No other readily available software solution in the market provides such comprehensive, specific and customized set of features. That makes COPA uniquely qualified as a sole source provider.

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

Best regards,

*Hamid Kelishadi*  
Hamid Kelishadi  
President



DEPARTMENT OF FAMILY AND SUPPORT SERVICES  
CITY OF CHICAGO

**MEMORANDUM**

**To:** Jamie Rhee  
Chief Procurement Officer  
Department of Procurement Services

**CC:** Rich Butler  
First Deputy Procurement Officer  
Department of Procurement Services

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

**Subject:** Information Technology Governance Board Approval – Nulinx International  
Modification Number: 161620  
PO: 34352

**Date:** March 30, 2017

---

I concur with the Department of Family and Support Services' (DFSS) request to extend the current Nulinx contract (PO 34352) for one year and increase the scope of the contract to include delivery of the parent portal for 2017. After working with AdSysTech in 2016 to deliver phase 1 of the project, it was determined that the AdSysTech does not have the capacity to further develop, maintain, and provide the requisite data integration needed with the parent portal. Nulinx will be able to deliver the services DFSS requires.

I find that this request is compliant with the guidelines for the City's technical environment and IT policies.

If you have any questions, please contact Danielle DuMerer at 312-742-1221.

cc: Commissioner Morrison Butler/DFSS      Jonathan Ernst/DFSS  
Brandie Knazze/DFSS      Joe Chan/ DPS  
Colleen Twohig/DPS



CERTIFICATE OF FILING FOR

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT

EDS Number: 106788

Certificate Printed on: 04/03/2017

Date of This Filing: 04/03/2017 12:43 PM

Original Filing Date: 04/03/2017 12:43 PM

Disclosing Party: Nulinx International Inc.

Title: President

Filed by: Mr. Hamid Kelishadi

Matter: COPA Amendment

Applicant: Nulinx International Inc.

Specification #: 134993

Contract #: 34352

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

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



NULIN-1

OP ID: RG

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/15/2017

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

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

|   |  |  |  |   |  |
|---|--|--|--|---|--|
| <b>PRODUCER</b><br>Hanabab Insurance Services Inc<br>CA License: 0E08574<br>625 S. Fairfax Avenue<br>Los Angeles, CA 90036<br>Shahram Tahmasebi |  | 323-782-8454                               |  | <b>CONTACT NAME:</b> Shahram Tahmasebi<br><b>PHONE (A/C, No, Ext):</b> 323-782-8454<br><b>FAX (A/C, No):</b> 323-297-4500<br><b>E-MAIL ADDRESS:</b> bizmemo@yahoo.com |  |
| <b>INSURED</b><br>Nulinx International Corporati<br>18425 Burbank Blvd. Suite 614<br>Tarzana, CA 91356  |  | <b>INSURER(S) AFFORDING COVERAGE</b>       |  | <b>NAIC #</b>   |  |
|   |  | INSURER A : Employers Compensation Ins. Co |  | 11512   |  |
|   |  | INSURER B : Hartford Casualty Insurance Co |  | 29424   |  |
|   |  | INSURER C :                                |  |   |  |
|   |  | INSURER D :                                |  |   |  |
|   |  | INSURER E :                                |  |   |  |
| INSURER F :   |  |  |  |   |  |

## COVERAGES

## CERTIFICATE NUMBER:

## REVISION NUMBER:

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

| INSR LTR | TYPE OF INSURANCE   | ADDL INSD | SUBR WVD | POLICY NUMBER  | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS   |
|----------|---|-----------|----------|----------------|-------------------------|-------------------------|--|
| B        | COMMERCIAL GENERAL LIABILITY  | X         |          | 72SBAAR9683    | 03/03/2017              | 03/03/2018              | EACH OCCURRENCE \$ 2,000,000   |
|          | <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR                            |           |          |                |                         |                         | DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000                                     |
|          |   |           |          |                |                         |                         | MED EXP (Any one person) \$ 10,000   |
|          |   |           |          |                |                         |                         | PERSONAL & ADV INJURY \$ 2,000,000   |
|          | GEN'L AGGREGATE LIMIT APPLIES PER:  |           |          |                |                         |                         | GENERAL AGGREGATE \$ 4,000,000   |
|          | <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC |           |          |                |                         |                         | PRODUCTS - COMP/OP AGG \$ 4,000,000  |
|          | OTHER:  |           |          |                |                         |                         | \$   |
|          | AUTOMOBILE LIABILITY  |           |          |                |                         |                         | COMBINED SINGLE LIMIT (Ea accident) \$   |
|          | ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/>               |           |          |                |                         |                         | BODILY INJURY (Per person) \$  |
|          | HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/>                   |           |          |                |                         |                         | BODILY INJURY (Per accident) \$  |
|          |   |           |          |                |                         |                         | PROPERTY DAMAGE (Per accident) \$  |
|          |   |           |          |                |                         |                         | \$   |
|          | UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/>                                     |           |          |                |                         |                         | EACH OCCURRENCE \$   |
|          | EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/>                                 |           |          |                |                         |                         | AGGREGATE \$   |
|          | DED <input type="checkbox"/> RETENTION \$ <input type="checkbox"/>  |           |          |                |                         |                         | \$   |
| A        | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY   |           |          | EIG-1639457-03 | 03/29/2017              | 03/29/2018              | <input checked="" type="checkbox"/> PER STATUTE <input checked="" type="checkbox"/> OTH-ER |
|          | ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)                               |           | N/A      |                |                         |                         | E.L. EACH ACCIDENT \$ 1,000,000  |
|          | If yes, describe under DESCRIPTION OF OPERATIONS below  |           |          |                |                         |                         | E.L. DISEASE - EA EMPLOYEE \$ 1,000,000  |
| B        | Tech E&O  |           |          | 72SBAAR9683    | 03/03/2017              | 03/03/2018              | E&O Limit Ded 2,000,000 5,000  |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Valuable Papers & Records: \$25,000 Deductible: \$5,000  
Computer and Media coverage of \$70,000 Includes \$20,000 for Server

## CERTIFICATE HOLDER

## CANCELLATION

City of Chicago  
Procurement Department  
121 N. LaSalle St. #403  
Chicago, IL 60602

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2016/03)

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March 17, 2017

Ms. Brandie Knazze, Deputy Commissioner  
Department of Family and Support Services  
1615 West Chicago Avenue  
Chicago, IL. 60622

Re: MBE/WBE waiver

Dear Ms. Knazze,

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

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

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

Nulinx International Inc.'s COPA software is being provided to the City as a hosted solution accessible via the internet. Because of the proprietary nature of the service agreement, confidentiality of information, expertise on the technology and subject and scope of services provided, there is no direct local subcontracting opportunity, MBE/WBE or otherwise, for Nulinx International, Inc. to provide.

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

Best regards,

*Hamid Kelishadi*

Hamid Kelishadi  
President

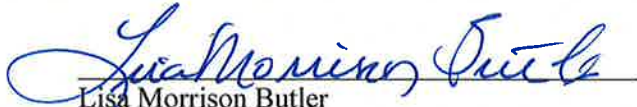


DEPARTMENT OF FAMILY AND SUPPORT SERVICES  
CITY OF CHICAGO

**MEMORANDUM**

**To:** Monica Jimenez  
Deputy Procurement Officer  
Department of Procurement Services

**Attn:** Rich Butler  
First Deputy Procurement Officer  
Department of Procurement Services

**From:**   
Lisa Morrison Butler  
Commissioner  
Department of Family and Support Services

**Subject:** M/WBE Waiver Request for Contract Extension  
Nulinx International, Inc.  
Modification #: 161620/PO#: 34352

**Date:** April 4, 2017

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The Department of Family and Support Services (DFSS) uses Nulinx International's Child Outcome Planning and Assessment (CPOA) system to manage, track, and report on child and family information related to its Head Start, Early Head Start, and Child Care Assistance programs. This system allows DFSS to manage two separate Federal and State funded child care programs in one database. Starting in July 2017, DFSS will also receive \$60 million from CPS to manage 300 community sites and approximately 20,000 to 30,000 children and families through the Community Partnership Program.

The COPA system is a proprietary software system that Nulinx has developed and customized primarily for DFSS. The system is a hosted solution that is accessible via the internet. In order to protect the source code and maintain the confidentiality of information, Nulinx does not partner or subcontract with other vendors including M/WBE vendors. Further, the headquarters of the firm is based in Los Angeles which makes obtaining indirect M/WBE participation from local Chicago vendors challenging.

We are requesting a waiver request for this amendment and vendor limit increase as there are limited options for compliance.

If you should have any questions, please contact Brandie Knazze at 312-743-0155 or [brandie.knazze@cityofchicago.org](mailto:brandie.knazze@cityofchicago.org).

Thank you.



DEPARTMENT OF FAMILY AND SUPPORT SERVICES  
CITY OF CHICAGO

MEMORANDUM

**To:** Rich Butler  
First Deputy Procurement Officer  
Department of Procurement Services

**Attn:** Colleen Twohig  
Department of Procurement Services

**From:** Brandie V. Knazze  
Brandie Knazze  
Deputy Commissioner  
Department of Family and Support Services

**Subject:** Nulinx International Req. #161620/Spec. 134993  
Modification #: 161620/PO#: 34352

**Date:** April 4, 2017

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Attached is the Non Competitive Review Board (NCRB) application for Nulinx International (Req. 161620/Spec. 134993). Please be advised that Deputy Commissioner Monica Jimenez has advised me that she will submit the M/WBE letter directly to you. Her email is attached for reference.

If you should have any questions, please contact me at 312-743-0155 or [brandie.knazze@cityofchicago.org](mailto:brandie.knazze@cityofchicago.org).

Thank you.

## Kirby, Joann

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**From:** Jimenez, Monica  
**Sent:** Monday, April 03, 2017 4:24 PM  
**To:** Knazze, Brandie  
**Cc:** Smith, Gwendolyn; Kirby, Joann  
**Subject:** RE: NSG Request for Amendment to Nulinx Contract PO 34352

Ok, will review

---

**From:** Knazze, Brandie  
**Sent:** Monday, April 03, 2017 1:34 PM  
**To:** Jimenez, Monica  
**Cc:** Smith, Gwendolyn; Kirby, Joann  
**Subject:** NSG Request for Amendment to Nulinx Contract PO 34352  
**Importance:** High

Hi Monica,

Tomorrow I am submitting an NCRB package to amend the Nulinx contract for the term from January 27, 2018 to January 26, 2019 and increase vendor limit increase by \$1,313,200. Nulinx will be adding a parent portal and supporting the increase of approximately 20,000 children and families starting in July. You approved this request last year and I would like to submit an email from you to the NCRB with my packet that you will review the request by the next meeting in May. Attached is the unsigned letter from Commissioner Morrison Butler to you (she is back in the office tomorrow and will sign the letter then), along with your approval for the initial contract and the request from Nulinx.

Thanks,

Brandie

Brandie V. Knazze, Deputy Commissioner  
IT, Contracts and Programmatic Monitoring Division  
1615 W. Chicago Ave, 3<sup>rd</sup> Floor | Chicago, IL | 60622  
Phone: 312-743-0155 | Cell: 312-933-9287  
[brandie.knazze@cityofchicago.org](mailto:brandie.knazze@cityofchicago.org)



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**From:** Smith, Gwendolyn  
**Sent:** Monday, April 03, 2017 1:22 PM  
**To:** Knazze, Brandie  
**Subject:** FW: NSG Spec# 134993

Per your request

**From:** [copier@cityofchicago.org](mailto:copier@cityofchicago.org) [mailto:[copier@cityofchicago.org](mailto:copier@cityofchicago.org)]  
**Sent:** Thursday, January 14, 2016 7:57 AM



DEPARTMENT OF FAMILY AND SUPPORT SERVICES  
CITY OF CHICAGO

**MEMORANDUM**

**To:** Jamie Rhee  
Chief Procurement Officer  
Department of Procurement Services

**CC:** Rich Butler  
First Deputy Procurement Officer  
Department of Procurement Services

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

**Subject:** Information Technology Governance Board Approval – Nulinx International  
Modification Number: 161620  
PO: 34352

**Date:** March 30, 2017

---

I concur with the Department of Family and Support Services' (DFSS) request to extend the current Nulinx contract (PO 34352) for one year and increase the scope of the contract to include delivery of the parent portal for 2017. After working with AdSysTech in 2016 to deliver phase 1 of the project, it was determined that the AdSysTech does not have the capacity to further develop, maintain, and provide the requisite data integration needed with the parent portal. Nulinx will be able to deliver the services DFSS requires.

I find that this request is compliant with the guidelines for the City's technical environment and IT policies.

If you have any questions, please contact Danielle DuMerer at 312-742-1221.

cc: Commissioner Morrison Butler/DFSS                      Jonathan Ernst/DFSS  
Brandie Knazze/DFSS    Joe Chan/ DPS  
Colleen Twohig/DPS



DEPARTMENT OF INNOVATION AND TECHNOLOGY  
CITY OF CHICAGO

MEMORANDUM

**To:** Jamie Rhee  
Chief Procurement Officer  
Department of Procurement Services

**Attn:** Rich Butler  
1<sup>st</sup> Deputy Procurement Officer  
Department of Procurement Services

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

**Subject:** Information Technology Governance Board Approval - Nulinx International (Req. #102860)

**Date:** September 25, 2015

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I have reviewed the Department of Family and Support Services (DFSS) Non-Competitive Review Board (NCRB) application for a new agreement with Nulinx International and have found that the application is compliant and within the guidelines for the City's technical environment and IT policies.

Further, I have determined that this agreement will allow DFSS to continue to work with my staff in developing the requirements for the City's Enterprise Case Management (ECM) solution or in drafting a new RFP in the event that the ECM Proof of Concept project with Adsystech, Inc. does meet their needs.

If you have any questions, please contact me at 312-744-9363.

cc: Comm. Morrison Butler/DFSS  
David Wells/DFSS  
Brandie Knazze/DFSS  
Joe Chan/DPS  
Colleen Twohig/DPS





DEPARTMENT OF PROCUREMENT SERVICES  
CITY OF CHICAGO

JAN 25 2017

Mr. Hamid Kelishadi, President  
Nulinx International, Inc.  
18425 Burbank Boulevard, No. 614  
Tarzana, California 91356

Subject: Subscription Services for Nulinx COPA System  
Specification No. 134993  
Contract (PO) No. 34352

Dear Mr. Kelishadi:

The City of Chicago has awarded your firm an Agreement for the subject requirement to be effective from January 27, 2017 through January 26, 2018. Attached is a copy of the final Blanket Agreement print. Refer to the specification and contract numbers listed above when inquiring about the contract. Contracts are available for viewing and downloading on the City of Chicago's website: [www.cityofchicago.org/Procurement](http://www.cityofchicago.org/Procurement).

Contractors are responsible for notifying the City and updating their EDS any time there is a change in circumstances that makes any information provided or certification made in an Economic Disclosure Statement (EDS) inaccurate, obsolete, or misleading. Failure to so notify the City and update the EDS is grounds for declaring the Contractor in default, terminating the contract for default, and declaring the Contractor ineligible for future contracts. Your contract also requires that you notify the City of any changes in ownership. If you have a change in ownership or any other change in EDS information to disclose, complete the online EDS, which includes a Disclosure of Retained Parties. Please submit an electronically signed, one-page EDS Certificate of Filing, which validates that the EDS has been filed. Additionally, the Municipal Code of Chicago requires the disclosure of Familial Relationships with Elected City Officials and Department Heads. The web address to submit your EDS and Familial Relationships Disclosure is: <https://webapps.cityofchicago.org/EDSWeb>.


If you have any questions concerning this matter, contact Joseph Chan, Sr. Procurement Specialist at 312-744-7659 or email [joseph.chan@cityofchicago.org](mailto:joseph.chan@cityofchicago.org).

Sincerely,

  
Rich Butler,  
First Deputy Procurement Officer

RB/jc

cc: File (Specification No. 134993)  
Monica Jimenez, DPS  
Bridget O'Shea, DPS  
Brandie Knazze



**CITY OF CHICAGO  
BLANKET PURCHASE ORDER**

**Original (DPS)  
Reprint**

Furnish the supplies and/or services described below in conformance with conditions set forth herein and in your offer.

| DATE OF<br>AWARD | DEPT # | PURCHASE<br>ORDER | SPECIFICATION<br>NUMBER | VENDOR<br>NUMBER | SITE<br>NAME | PO START<br>DATE | PO END<br>DATE | PAGE<br>NUMBER |
|------------------|--------|-------------------|-------------------------|------------------|--------------|------------------|----------------|----------------|
| 1/26/2017        | 50     | 34352             | 134993                  | 50073584         | A            | 1/27/2017        | 1/26/2018      | 1              |

**BUYER:**

235627 JOSEPH CHAN 312-744-7659

**ORDERED FROM:**

NULINX INTERNATIONAL, INC.  
18425 BURBANK BLVD  
SUITE 614 (EFT)  
TARZANA, CA 91356

**PO DESCRIPTION: SUBSCRIPTION SERVICES FOR NULINX COPA SYSTEM**

**COMMODITY INFORMATION**

| Line | Item  | Item Description                             | UOM | Unit Cost |
|------|-------|--|-----|-----------|
| 1    | 92046 | SUBSCRIPTION SERVICES FOR NULINX COPA SYSTEM | USD | 1.00      |

Payment on this order will be made upon receipt of an original vendor invoice form referencing this order.

Mark all packages and papers with the purchase number.

Any deliveries containing overshipments will be reflected unless otherwise authorized in this purchase.

This purchase is subject to the City of Chicago General Conditions for Supplies, Work, or Professional Consulting Services; Special Conditions, Disclosure, Ownership, Acceptance Page, as applicable, which are attached hereto or incorporated herein by reference.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES  
NOTICE OF AWARD**

SAI NUMBER:

PMS DOCUMENT NUMBER:

|  |                               |  |  |                                   |
|--|-------------------------------|--|--|-----------------------------------|
| <b>1. AWARDING OFFICE:</b><br>Office of Head Start   |                               | <b>2. ASSISTANCE TYPE:</b><br>Discretionary Grant  | <b>3. AWARD NO.:</b><br>05CH8460-03-00                                 | <b>4. AMEND. NO.</b><br>0         |
| <b>5. TYPE OF AWARD:</b><br>Service  |                               | <b>6. TYPE OF ACTION:</b><br>Non-Competing Continuation  | <b>7. AWARD AUTHORITY:</b><br>42 U.S.C. 9801                           |                                   |
| <b>8. BUDGET PERIOD:</b><br>12/01/2016 THRU 11/30/2017   |                               | <b>9. PROJECT PERIOD:</b><br>12/01/2014 THRU 11/30/2019  |  | <b>10. CAT NO.:</b><br>93.600     |
| <b>11. RECIPIENT ORGANIZATION:</b><br>City of Chicago<br>1615 W Chicago Ave<br>Chicago, IL 60622-5127<br>Grantee Authorizing Official: Sylvia Ewing, Board Chair |                               |  | <b>12. PROJECT / PROGRAM TITLE:</b><br>Head Start and Early Head Start |                                   |
| <b>13. COUNTY:</b><br>Cook   | <b>14. CONGR. DIST:</b><br>05 | <b>15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR:</b><br>Lisa Morrison Butler<br>Commissioner |  |                                   |
| <b>16. APPROVED BUDGET:</b>  |                               | <b>17. AWARD COMPUTATION:</b>  |  |                                   |
| Personnel..... \$ 3,160,534.00   |                               | A. NON-FEDERAL SHARE..... \$ 16,255,521.00 20%   |  |                                   |
| Fringe Benefits..... \$ 1,098,917.00   |                               | B. FEDERAL SHARE..... \$ 65,022,082.00 80%   |  |                                   |
| Travel..... \$ 5,500.00  |                               | <b>18. FEDERAL SHARE COMPUTATION:</b>  |  |                                   |
| Equipment..... \$ 0.00   |                               | A. TOTAL FEDERAL SHARE..... \$ 65,022,082.00   |  |                                   |
| Supplies..... \$ 281,725.00  |                               | B. UNOBLIGATED BALANCE FEDERAL SHARE..... \$ 4,540,273.00                                      |  |                                   |
| Contractual..... \$ 55,719,344.00  |                               | C. FED. SHARE AWARDED THIS BUDGET PERIOD... \$ 0.00  |  |                                   |
| Facilities/Construction..... \$ 0.00   |                               | <b>19. AMOUNT AWARDED THIS ACTION:</b>   |  | \$ 60,481,809.00                  |
| Other..... \$ 1,417,000.00   |                               | <b>20. FEDERAL \$ AWARDED THIS PROJECT PERIOD:</b>   |  | \$ 318,368,476.00                 |
| Direct Costs..... \$ 61,683,020.00   |                               | <b>21. AUTHORIZED TREATMENT OF PROGRAM INCOME:</b><br>Additional Costs                         |  |                                   |
| Indirect Costs..... \$ 3,339,062.00<br>At % of \$  |                               |  |  |                                   |
| In Kind Contributions..... \$ 0.00   |                               |  |  |                                   |
| <b>Total Approved Budget..... \$ 65,022,082.00</b>   |                               | <b>22. APPLICANT EIN:</b><br>366005820   | <b>23. PAYEE EIN:</b><br>1366005820B6                                  | <b>24. OBJECT CLASS:</b><br>41.51 |

| 25. FINANCIAL INFORMATION: |              |               |           |                 | DUNS 167217822 |          |
|----------------------------|--------------|---------------|-----------|-----------------|----------------|----------|
| ORGN                       | DOCUMENT NO. | APPROPRIATION | CAN NO.   | NEW AMT.        | UNOBLIG.       | NONFED % |
|                            | 05CH846003   | 75-17-1536    | 7-G054122 | \$51,032,175.00 |                |          |
|                            | 05CH846003   | 75-17-1536    | 7-G054120 | \$348,889.00    |                |          |
|                            | 05CH846003   | 75-17-1536    | 7-G054125 | \$8,961,667.00  |                |          |

**26. REMARKS:** (Continued on separate sheets)

|  |  |              |  |  |
|--|--|--------------|--|--|
| <b>27. SIGNATURE - ACF GRANTS OFFICER</b>            |  | <b>DATE:</b> | <b>28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY</b> |  |
| Eric P Staples                                       |  | 11/29/2016   | Mr. Omar Barrett<br>11/29/2016                       |  |
| <b>29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S)</b> |  | <b>DATE:</b> |  |  |
| Ms. Kay Willmoth - Regional Program Manager          |  | 11/29/2016   |  |  |

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES  
NOTICE OF AWARD**

**SAI NUMBER:**

**PMS DOCUMENT NUMBER:**

|  |  |   |  |                           |
|--|--|---|--|---------------------------|
| <b>1. AWARDING OFFICE:</b><br>Office of Head Start     |  | <b>2. ASSISTANCE TYPE:</b><br>Discretionary Grant       | <b>3. AWARD NO.:</b><br>05CH8460-03-00       | <b>4. AMEND. NO.</b><br>0 |
| <b>5. TYPE OF AWARD:</b><br>Service                    |  | <b>6. TYPE OF ACTION:</b><br>Non-Competing Continuation | <b>7. AWARD AUTHORITY:</b><br>42 U.S.C. 9801 |                           |
| <b>8. BUDGET PERIOD:</b><br>12/01/2016 THRU 11/30/2017 |  | <b>9. PROJECT PERIOD:</b><br>12/01/2014 THRU 11/30/2019 | <b>10. CAT NO.:</b><br>93.600                |                           |
| <b>11. RECIPIENT ORGANIZATION:</b><br>City of Chicago  |  |   |  |                           |

| ORGN | DOCUMENT NO. | APPROPRIATION | CAN NO.   | NEW AMT.         | UNOBLIG. | NONFED% |
|------|--------------|---------------|-----------|------------------|----------|---------|
|      | 05CH846003   | 75-17-1536    | 7-G054121 | \$139,078.00     |          |         |
|      | 05CH846003   | 75-15-1536    | 5-G054122 | \$4,059,151.00   |          |         |
|      | 05CH846003   | 75-15-1536    | 5-G054120 | \$211,897.00     |          |         |
|      | 05CH846003   | 75-15-1536    | 5-G054125 | \$269,225.00     |          |         |
|      | 05CH846001   | 75-15-1536    | 5-G054122 | (\$4,059,151.00) |          |         |
|      | 05CH846001   | 75-15-1536    | 5-G054120 | (\$211,897.00)   |          |         |
|      | 05CH846001   | 75-15-1536    | 5-G054125 | (\$269,225.00)   |          |         |

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES  
NOTICE OF AWARD**

**SAI NUMBER:**

**PMS DOCUMENT NUMBER:**

|  |  |   |  |                               |
|--|--|---|--|-------------------------------|
| <b>1. AWARDING OFFICE:</b><br>Office of Head Start     |  | <b>2. ASSISTANCE TYPE:</b><br>Discretionary Grant       | <b>3. AWARD NO.:</b><br>05CH8460-03-00       | <b>4. AMEND. NO.</b><br>0     |
| <b>5. TYPE OF AWARD:</b><br>Service                    |  | <b>6. TYPE OF ACTION:</b><br>Non-Competing Continuation | <b>7. AWARD AUTHORITY:</b><br>42 U.S.C. 9801 |                               |
| <b>8. BUDGET PERIOD:</b><br>12/01/2016 THRU 11/30/2017 |  | <b>9. PROJECT PERIOD:</b><br>12/01/2014 THRU 11/30/2019 |  | <b>10. CAT NO.:</b><br>93.600 |
| <b>11. RECIPIENT ORGANIZATION:</b><br>City of Chicago  |  |   |  |                               |

**STANDARD TERMS**

- I. Paid by DHHS Payment Management System (PMS), see attached for payment information. This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.

This includes requirements in Parts I and II (available at <http://www.hhs.gov/grants/grants/policies-regulations/index.html>) of the HHS GPS. Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75, directly apply to this award apart from any coverage in the HHS GPS. This award is subject to requirements or limitations in any applicable Appropriations Act. This award is subject to the requirements of Section 106 (g) of the trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>.

This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements. For the full text of the award term, go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>. This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and DATA Universal Number System (DUNS). For full text go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>.

Consistent with 45 CFR 75.113, applicants and recipients must disclose in a timely manner, in writing to the HHS awarding agency, with a copy to the HHS Office of Inspector General (OIG), all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Subrecipients must disclose, in a timely manner, in writing to the prime recipient (pass through entity) and the HHS OIG, all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Disclosures must be sent in writing to the awarding agency and to the HHS OIG at the following addresses:

The Administration for Children and Families  
U.S. Department of Health and Human Services  
Office of Grants Management  
ATTN: Grants Management Specialist  
330 C Street, SW.,  
Switzer Building Corridor 3200  
Washington, DC 20201 AND  
U.S. Department of Health and Human Services  
Office of Inspector General  
ATTN: Mandatory Grant Disclosures  
Intake Coordinator  
330 Independence Avenue, SW, Cohen Building  
Room 5527  
Washington, DC 20201  
Fax: (202) 205-0604 (Include "Mandatory Grant Disclosures" in subject line) or Email: [MandatoryGranteeDisclosures@oig.hhs.gov](mailto:MandatoryGranteeDisclosures@oig.hhs.gov)  
Failure to make required disclosures can result in any of the remedies described in 45 CFR 75.371  
Remedies for noncompliance, including suspension or debarment (See 2 CFR parts 180& 376 and 31 U.S.C. 3321).

This award is subject to the requirements as set forth in 45 CFR Part 87. This award is subject to HHS regulations codified at 45 CFR Chapter XIII, Parts 1301, 1302, 1303, 1304 and 1305. Attached are terms and conditions, reporting requirements, and payment instructions. Initial expenditure of funds by the grantee constitutes acceptance of this award.

## AWARD ATTACHMENTS

City of Chicago

05CH8460-03-00

1. 05CH8460-03-00 City of Chicago Remarks and Attachment 1



## **26. REMARKS (Continued from previous page)**

This grant action awards partial funds for the 12/01/2016-11/30/2017 budget period. The projected annual funding level for Head Start operations in Fiscal Year (FY) 2017 is \$110,182,652, and the projected training and technical assistance allocation is \$1,121,571. The projected annual funding level in FY 2017 for Early Head Start operations is \$18,461,784, and the projected training and technical assistance allocation is \$278,156. The balance of the funds will be awarded when available, subject to the final appropriation for the Head Start program for FY 2017.

This action also offsets (recaptures) unobligated Head Start operations funds of \$4,059,151 from Program Year 01, Head Start training and technical assistance funds of \$211,897 from Program Year 01, and Early Head Start operations funds of \$269,225 from Program Year 01 to Program Year 03. The unobligated federal fund balance is reported as available in the grantee's Final Financial Report SF-425 for Grant No. 05CH8460/01. If the audit report for the periods including Grant No. 05CH8460/01 reflects a lower federal fund balance, it will be the responsibility of the grantee to cover any difference with non-federal funds.

Head Start population: 15,158 children.

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

Approved program options for the Head Start program: Center-based, Family Child Care, Home-based.

Early Head Start population: 1,583 infants, toddlers and pregnant women.

Designated Early Head Start service area: The City of Chicago within Cook County, inclusive of the shared service areas of West Humboldt Park neighborhood with Chicago Commons Association; West Englewood neighborhood with Children's Home and Aid Society of Illinois; Belmont Cragin and Uptown neighborhoods with Christopher House; Lower West Side, South Chicago, South Deering and South Lawndale neighborhoods with El Valor Corporation; Rogers Park and West Ridge neighborhoods with Howard Area Community Center; Brighton Park, Grand Boulevard, Hermosa, Humboldt Park, Kenwood, Logan Square, McKinley Park, Washington Park and West Town neighborhoods with Ounce of Prevention Fund; Englewood neighborhood with the Ounce of Prevention Fund and Children's Home and Aid Society of Illinois; and New City neighborhood with Chicago Commons Association and Children's Home

and Aid Society of Illinois.

Approved program options for the Early Head Start program: Center-based, Family Child Care, Home-based.

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

This grant action approves the conversion of \$12,005,450 in Head Start funds and reduces the funded Head Start enrollment by 1,650 slots to provide Early Head Start services to 660 infants, toddlers and pregnant women pursuant to Sections 640(f)(2)(B) and 645(a)(5) of the Head Start Act effective December 01, 2016.

Head Start delegate agencies: Ada S. McKinley Community Services, Albany Park Community Center, Inc., Carole Robertson Center for Learning, Catholic Charities of the Archdiocese of Chicago, Centers for New Horizons, Inc., Chicago Child Care Society, Chicago Commons Association, Chicago Public Schools, Chicago Youth Centers, Chinese American Service League, City Colleges of Chicago, Christopher House, Easter Seals Metropolitan Chicago, Inc., El Hogar Del Nino, El Valor Corporation, Erie Neighborhood House, Gads Hill Center, Henry Booth House, Howard Area Community Center, It Takes a Village, Judah International Outreach Ministries, Korean American Community Services, Lutheran Social Services of Illinois, Mary Crane League, Metropolitan Family Services, The Montessori School of Englewood, New Pisgah Day Care, North Avenue Day Nursery, Northwestern University Settlement House, Onward Neighborhood House, Salvation Army, Shining Star Youth and Community Services, Trinity United Church of Christ Child Care Centers, Inc. and YMCA of Metropolitan Chicago.

Early Head Start delegate agencies: Ada S. McKinley Community Services, Beacon Therapeutic Diagnostic and Treatment Center, Carole Robertson Center for Learning, Catholic Charities of the Archdiocese of Chicago, Centers for New Horizons, Inc., Chicago Child Care Society, Chicago Commons Association, Chicago Youth Centers, Easter Seals Metropolitan Chicago, Inc., El Hogar Del Nino, Gads Hill Center, Henry Booth House, Howard Area Community Center, Mary Crane League, Metropolitan Family Services, North Avenue Day Nursery, Northwestern University Settlement House, Onward Neighborhood House, Salvation Army, SGA Youth and Family Services, Trinity United Church of Christ Child Care Centers, Inc. and YMCA of Metropolitan Chicago.

## **Attachment 1**

**Award Number: 05CH8460/03**

**Recipient Organization: CITY OF CHICAGO**

This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. § 1303.4 requiring a non-federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. § 1303.5 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-federal match contribution of such costs. The requirements for a non-federal match of 20 percent and the limitation of 15 percent for development and administrative costs apply to the 12/01/2016-11/30/2017 budget period unless a waiver is approved. Any request for a waiver of the non-federal match, or a portion thereof, that meets the conditions under Section 640(b)(1)-(5) of the Head Start Act and 45 C.F.R. § 1303.4 or a waiver of the limitation on development and administrative costs that meets the conditions under 45 C.F.R. § 1303.5 must be submitted in advance of the end of the budget period. Any waiver request submitted after the expiration of the project period will not be considered.

The HHS Uniform Administrative Requirements (see 45 C.F.R. § 75.308(c)(2)) provide the authority to ACF to approve key staff of Head Start grantees. For the purposes of this grant, key staff is defined as the Head Start Director or person carrying out the duties of the Head Start Director if not under that title and the Chief Executive Officer, Executive Director and/or Chief Fiscal Officer if any of those positions is funded, either directly or through indirect cost recovery, more than 50 percent with Head Start funds.

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

Prior written approval must be obtained for the purchase of equipment and other capital expenditures as described in 45 C.F.R. § 75.439(a). Prior written approval must also be obtained under 45 C.F.R. § 75.439(b)(3) and 45 C.F.R. Part 1303 Subpart E – Facilities to use Head Start grant funds for the initial or ongoing purchase, construction and major renovation of facilities. No Head Start grant funds may be used toward the payment of one-time expenses, principal and interest for the acquisition, construction or major renovation of a facility without prior written approval of the Administration for Children and Families.

## Procurement

<https://eclkc.ohs.acf.hhs.gov/hslc/standards/fiscal-regs/part92#45-cfr-92.36>

### 45 CFR 92.36 -- Procurement

**45 CFR 92.36(a)** -- States When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

### 45 CFR 92.36(b) -- Procurement standards

**45 CFR 92.36(b)(1)** -- Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

**45 CFR 92.36(b)(2)** -- Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

**45 CFR 92.36(b)(3)** -- Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

**45 CFR 92.36(b)(3)(i)** -- The employee, officer or agent,

**45 CFR 92.36(b)(3)(ii)** -- Any member of his immediate family,

**45 CFR 92.36(b)(3)(iii)** -- His or her partner, or

**45 CFR 92.36(b)(3)(iv)** -- An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

**45 CFR 92.36(b)(4)** -- Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

**45 CFR 92.36(b)(5)** -- To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

**45 CFR 92.36(b)(6)** -- Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

**45 CFR 92.36(b)(7)** -- Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

**45 CFR 92.36(b)(8)** -- Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

**45 CFR 92.36(b)(9)** -- Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

**45 CFR 92.36(b)(10)** -- Grantees and subgrantees will use time and material type contracts only--

**45 CFR 92.36(b)(10)(i)** -- After a determination that no other contract is suitable, and

**45 CFR 92.36(b)(10)(ii)** -- If the contract includes a ceiling price that the contractor exceeds at its own risk.

**45 CFR 92.36(b)(11)** -- Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

**45 CFR 92.36(b)(12)** -- Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

**45 CFR 92.36(b)(12)(i)** -- Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

**45 CFR 92.36(b)(12)(ii)** -- Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

**45 CFR 92.36(c)** -- Competition

**45 CFR 92.36(c)(1)** -- All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of Sec. 92.36. Some of the situations considered to be restrictive of competition include but are not limited to:

**45 CFR 92.36(c)(1)(i)** -- Placing unreasonable requirements on firms in order for them to qualify to do business,

**45 CFR 92.36(c)(1)(ii)** -- Requiring unnecessary experience and excessive bonding,

**45 CFR 92.36(c)(1)(iii)** -- Noncompetitive pricing practices between firms or between affiliated companies,

**45 CFR 92.36(c)(1)(iv)** -- Noncompetitive awards to consultants that are on retainer contracts,

**45 CFR 92.36(c)(1)(v)** -- Organizational conflicts of interest,

**45 CFR 92.36(c)(1)(vi)** -- Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement, and

**45 CFR 92.36(c)(2)** -- Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in- State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

**45 CFR 92.36(c)(3)** -- Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

**45 CFR 92.36(c)(3)(i)** -- Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and

**45 CFR 92.36(c)(3)(ii)** -- Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

**45 CFR 92.36(c)(4)** -- Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

**45 CFR 92.36(d)** -- Methods of procurement to be followed--

**45 CFR 92.36(d)(1)** -- Procurement by small purchase procedures Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

**45 CFR 92.36(d)(2)** -- Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in Sec. 92.36(d)(2)(i) apply.

**45 CFR 92.36(d)(2)(i)** -- In order for sealed bidding to be feasible, the following conditions should be present:

**45 CFR 92.36(d)(2)(i)(A)** -- complete, adequate, and realistic specification or purchase description is available;

**45 CFR 92.36(d)(2)(i)(B)** -- Two or more responsible bidders are willing and able to compete effectively and for the business; and

**45 CFR 92.36(d)(2)(i)(C)** -- The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

**45 CFR 92.36(d)(2)(ii)** -- If sealed bids are used, the following requirements apply:

**45 CFR 92.36(d)(2)(ii)(A)** -- The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;

**45 CFR 92.36(d)(2)(ii)(B)** -- The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;

**45 CFR 92.36(d)(2)(ii)(C)** -- All bids will be publicly opened at the time and place prescribed in the invitation for bids;

**45 CFR 92.36(d)(2)(ii)(D)** -- A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

**45 CFR 92.36(d)(2)(ii)(E)** -- Any or all bids may be rejected if there is a sound documented reason.

**45 CFR 92.36(d)(3)** -- Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

**45 CFR 92.36(d)(3)(i)** -- Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;

**45 CFR 92.36(d)(3)(ii)** -- Proposals will be solicited from an adequate number of qualified sources;

**45 CFR 92.36(d)(3)(iii)** -- Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;

**45 CFR 92.36(d)(3)(iv)** -- Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

**45 CFR 92.36(d)(3)(v)** -- Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

**45 CFR 92.36(d)(4)** -- Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

**45 CFR 92.36(d)(4)(i)** -- Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

**45 CFR 92.36(d)(4)(i)(A)** -- The item is available only from a single source;

**45 CFR 92.36(d)(4)(i)(B)** -- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

**45 CFR 92.36(d)(4)(i)(C)** -- The awarding agency authorizes noncompetitive proposals; or

**45 CFR 92.36(d)(4)(i)(D)** -- After solicitation of a number of sources, competition is determined inadequate.

**45 CFR 92.36(d)(4)(ii)** -- Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

**45 CFR 92.36(d)(4)(iii)** -- Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section.

**45 CFR 92.36(e)** -- Contracting with small and minority firms, women's business enterprise and labor surplus area firms

**45 CFR 92.36(e)(1)** -- The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

**45 CFR 92.36(e)(2)** -- Affirmative steps shall include:

**45 CFR 92.36(e)(2)(i)** -- Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

**45 CFR 92.36(e)(2)(ii)** -- Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

**45 CFR 92.36(e)(2)(iii)** -- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

**45 CFR 92.36(e)(2)(iv)** -- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

**45 CFR 92.36(e)(2)(v)** -- Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

**45 CFR 92.36(e)(2)(vi)** -- Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

**45 CFR 92.36(f)** -- Contract cost and price

**45 CFR 92.36(f)(1)** -- Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

**45 CFR 92.36(f)(2)** -- Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

**45 CFR 92.36(f)(3)** -- Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see Sec. 92.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.



**45 CFR 92.36(f)(4)** -- The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

**45 CFR 92.36(g)** -- Awarding agency review

**45 CFR 92.36(g)(1)** -- Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

**45 CFR 92.36(g)(2)** -- Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:

**45 CFR 92.36(g)(2)(i)** -- A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

**45 CFR 92.36(g)(2)(ii)** -- The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

**45 CFR 92.36(g)(2)(iii)** -- The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product; or

**45 CFR 92.36(g)(2)(iv)** -- The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

**45 CFR 92.36(g)(2)(v)** -- A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

**45 CFR 92.36(g)(3)** -- A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section.

**45 CFR 92.36(g)(3)(i)** -- A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

**45 CFR 92.36(g)(3)(ii)** -- A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

**45 CFR 92.36(h)** -- Bonding requirements For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

**45 CFR 92.36(h)(1)** -- A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

**45 CFR 92.36(h)(2)** -- A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

**45 CFR 92.36(h)(3)** -- A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

**45 CFR 92.36(i)** -- Contract provisions A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

**45 CFR 92.36(i)(1)** -- Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

**45 CFR 92.36(i)(2)** -- Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)

**45 CFR 92.36(i)(3)** -- Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees)

**45 CFR 92.36(i)(4)** -- Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3). (All contracts and subgrants for construction or repair)

**45 CFR 92.36(i)(5)** -- Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts in excess of \$2000 awarded by grantees and subgrantees when required by Federal grant program legislation)

**45 CFR 92.36(i)(6)** -- Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)

**45 CFR 92.36(i)(7)** -- Notice of awarding agency requirements and regulations pertaining to reporting.

**45 CFR 92.36(i)(8)** -- Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

**45 CFR 92.36(i)(9)** -- Awarding agency requirements and regulations pertaining to copyrights and rights in data.

**45 CFR 92.36(i)(10)** -- Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

**45 CFR 92.36(i)(11)** -- Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

**45 CFR 92.36(i)(12)** -- Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental

Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000)

**45 CFR 92.36(i)(13)** -- Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

# Procurement Narrative



Federal standards for purchasing services, supplies, and expendable property are described. Head Start grantee and delegate agencies will find this resource useful when purchasing supplies and other items.

[Overview of Requirements](#)

[Clarifying Definitions](#)

[Narrative](#)

[Audit Requirements](#)

[Related Links](#)

## Overview of Requirements

Head Start grantee agencies are required to establish their own written procedures based on Federal standards for purchasing services, supplies and other expendable property, equipment, and real property. The standards for procurement are found in regulations [45 CFR 74.40 - 74.48](#) for institutions of higher education, hospitals, and other non-profit organizations, and commercial organizations; and in [45 CFR 92.36](#) for local government organizations.

The Federal standards were established to ensure that grantee agencies obtain materials and services paid for with Federal funds in an effective manner and in compliance with Federal laws. Grantee agencies are directed to use Federal funds to purchase items and services in the most economical way, and to buy only what they need.

Within the parameters of the Federal standards, grantee agencies are allowed to design their own systems for procurement and use whatever forms and workflow processes best suit the organizational structure. Such systems may be more stringent than the Federal requirements, but not less. Local government grantee agencies also must comply with applicable State and local laws and regulations.

Purchases of equipment, purchase/construction/renovation of facilities, etc., must still comply with all applicable Federal requirements, including prior approval from ACF as the Head Start funding source, before being purchased. Any record keeping requirements associated with such purchases should reflect the definitions of the funding agency. For example, if your agency definition of equipment uses a benchmark of \$1,000 or more, your agency does not have to request Federal prior approval or maintain an equipment inventory for Federal purposes of items purchased for under \$5,000.

## Clarifying Definitions

*Contract*, when used in this section, refers to procurement contracts under the Head Start grant award (or delegate agency agreement) to purchase services, supplies and other expendable property, equipment, and real property using Head Start grant funds.

*Equipment* means an item of personal property, which costs \$5,000 or more per unit, and which has a useful life of more than one year. A grantee agency may choose to establish a lower limit than \$5,000 as its definition of equipment so long as it is applied consistently.

*Personal property*, in this section, is used to refer to property of any kind except real property. For Head Start grantees, personal property would include equipment, supplies, computers, computer software, copiers, kitchen

appliances, fax machines, telephone systems, classroom desks and tables, playground equipment, etc.

*Prior approval* means the written approval by an authorized ACF official evidencing prior consent.

*Property*, when used alone, refers to both real property and personal property.

*Real property* means building structures and land. For Head Start grantees, this can include classroom facility buildings, administrative buildings, storage buildings, the land for the building or parking lots, playgrounds, etc.

*Supplies* means all personal property, excluding equipment and intangible property.

## **Narrative**

### **Procurement standards**

The Federal regulations, in 45 CFR 74.40 - .48 and 45 CFR 92.36, set standards for use by grantee agencies in establishing their own procedures for purchasing services, supplies and other expendable property, equipment, and real property with Federal funds. These standards were established to ensure that grantee agencies obtain materials and services with Federal funds in an effective manner and in compliance with Federal laws. The procurement standards include information for grantees on such subjects as competition, analysis of cost/price, contractual disputes, codes of conduct, procurement records, and written procedures.

#### **A. Competition**

Based on the Federal standard established in 45 CFR 74.43, all procurement transactions, regardless of amount, must be conducted in a manner that provides, to the maximum extent practical, open and free competition. This means that, even if it seems like a "good deal," grantee agencies cannot make the purchase until other vendors also are given consideration.

Also, to eliminate unfair advantage, contractors who develop or draft grantee applications or contract specifications or requirements (or statements of work, invitations for bids or requests for proposals) must be excluded from the competition for that procurement.

Soliciting competitive bid prices from vendors might be done in different ways. For example, a grantee agency could get vendor prices by advertising in newspapers, sending letters to prospective vendors, telephoning prospective vendors, or even by comparing prices in office supply catalogs.

Solicitations for bids should clearly state all the requirements the vendor must fulfill in order for the bid or offer to be evaluated by the grantee agency.

The procurement should be given to the vendor whose bid or offer is responsive to the solicitation, and is the most advantageous to the grantee agency (considering price, quality, and other applicable factors). Any and all bids or offers may be rejected when it is in the grantee agency's interest to do so. This means that Head Start grantees do not have to accept the lowest bid received because other factors, such as quality of the product or service record of the vendor, also may be considered by the grantee in making the decision.

Based on the Federal standard found in 45 CFR 74.44 grantee agencies must, whenever possible, make positive efforts to use small businesses, minority-owned firms, and women's business enterprises, and should take all of the following steps to further this goal:

- Ensure that small businesses, minority-owned firms and women's business enterprises are used to the fullest extent practical.

- Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms and women's business enterprises.
- Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- Encourage contracting with consortiums of small businesses, minority-owned firms, and women's business enterprises when a contract is too large for one of these firms to handle individually.
- Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms, and women's business enterprises.

## **B. Cost/price analysis**

The Federal procurement standard in 45 CFR 74.45 requires that some form of cost or price analysis must be made, and documented in the procurement files, in connection with every procurement action using Federal grant funds. This means that Head Start grantee agencies are required to analyze costs to determine if the amount seems reasonable.

*Price analysis* involves a comparison of marketplace prices. There are various ways to conduct a price analysis. These include comparing offered prices with those listed in commercial catalogs, or with those recently submitted for similar services. It can be done, for example, by comparing the price quotes submitted by vendors, or by telephoning other vendors to obtain their market price, or simply by comparing published market prices (such as from a classroom supply catalog, for example). Often grantee agencies have already done their price analysis without even realizing it, for example, by comparing catalog prices prior to making a purchase.

*Cost analysis* involves an examination of all the elements used in calculating a contract's total estimated cost. For example, when fixed-price contracts are based on cost estimates, grantee agencies should perform a cost analysis to determine the reasonableness of the prices. Cost analysis is the review and evaluation of each element of cost to determine whether it is reasonable, allocable to that grant program, and an allowable cost for that grant program. Every cost element listed in the vendor's offer must be examined. Through a cost analysis, determinations are made on which costs are reasonable, allowable under the grant regulations and grantee agency rules, and properly allocated to the work to be performed under the proposed contract. A cost analysis also is required when contract modifications introduce new conditions that were not examined under the previous analysis, or where more current information is needed.

## **C. Contractual disputes**

The grantee agency, and not the Federal awarding agency, is the responsible authority regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of an award or other agreement. This includes disputes, claims, protests of award, source evaluation or other matters of a contractual nature. For example, if a vendor claims not to have been given fair treatment in the bid process or that another vendor unfairly won the bid, then the grantee agency must resolve the dispute using their own documentation of the procedures used. It cannot call upon ACF to resolve it. Also, if the grantee agency is dissatisfied with the services or product received from a contractor, the grantee agency must resolve the dispute, and cannot call upon ACF to resolve it.

Grantee agencies must maintain a system for contract administration, including vendor contracts, construction contracts, leases, and program or administrative service contracts. The system should include procedures regarding settlement and satisfaction of all contractual disputes. (Matters concerning violation of statute should be referred to whichever Federal, state or local authority has jurisdiction.)

## **D. Codes of Conduct**

Grantee agencies must maintain written standards of conduct governing the performance of employees who are involved in the award or administration of procurement contracts, including vendor contracts, lease contracts, construction contracts, and program services and administrative services contracts. Generally this includes, at a minimum, the procurement officer (or whoever in the agency does the purchasing or leasing), contract administration officer, and all grantee agency officials who can sign or authorize procurement contracts (such as the executive director or program manager).

The written code of conduct must state that no grantee agency employee, officer, or agent shall participate in the selection, award, or administration of a procurement contract supported by Federal funds if a real or apparent conflict of interest would be involved. Based on the regulations, such conflict would arise when the employee, officer, or agent, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated, has a financial or other interest in the firm selected for an award.

The grantee agency's written code of conduct also must state that officers, employees, and agents of the grantee agency shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, grantee agencies may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.

The Head Start program regulations, in 45 CFR 1304.52(h)(2), require that all employees engaged in the award and administration of contracts or other financial awards must sign written statements that they will not solicit or accept personal gratuities, favors, or anything of significant monetary value from contractors or potential contractors.

The code of conduct must provide for appropriate penalties (meaning disciplinary actions) to be applied for violations of such standards by officers, employees, or agents of the grantee agency. Such disciplinary actions generally range from suspension without pay to termination of employment or removal from office, depending on the position of the offender and the nature of the offense.

## **E. Procurement Records**

As stated above under Section B, the Federal standard found in 45 CFR 74.45 states that price or cost analysis is required and must be documented in the procurement files for every procurement transaction. For price analysis, this would mean keeping copies of all the documentation of the prices and vendors that were compared, identifying which vendor was chosen, and stating why that vendor was chosen. For cost analysis, it would mean keeping written documentation of the determination of whether a cost was reasonable, allocable to that grant, and allowable for that grant.

In addition, the procurement records for purchases in excess of the simplified acquisition threshold (41 U.S.C. 403(11))—currently set at \$100,000—must include the following at a minimum:

- Basis for contractor selection.
- Justification for lack of competition when competitive bids or offers are not obtained.
- Basis for award cost or price.

Grantee agencies are required to make available to ACF, on request, all procurement documents, such as requests for proposals or invitations for bids, and independent cost estimates when any of the following apply:

- The grantee agency's procurement procedures or operations fail to comply with the Federal procurement standards.
- The procurement is expected to exceed the simplified acquisition threshold (currently \$100,000), and is to be awarded to the vendor without competition, or only one bid or offer is received in response to a solicitation.

- The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product.
- The proposed award over the simplified acquisition threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement.
- A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the simplified acquisition threshold.

## **F. Written Procedures**

All grantee agencies must establish and follow written procurement procedures for making purchases with Federal funds (45 CFR 74.44 and 92.36).

The written procurement procedures must provide, at a minimum, that the grantee agency will:

- Take steps to make economical purchases and avoid purchasing unnecessary or duplicative items. (This means that the grantee agency must have some sort of mechanism for determining the items they already have.)
- Analyze, prior to leasing or purchasing, whether leasing or purchasing an item is the most economical and practical alternative in the long run, for both the grantee agency and for the Federal government. (Leasing should be used in lieu of purchasing when it is the more economical and practical alternative. This requirement essentially directs grantee agencies to buy only what they need and purchase items in the most economical way.)
- Provide solicitation advertisements for goods and services that contain all of the following:
  1. A clear and accurate description of the technical requirements for the material, product, or service to be procured—without including features which unduly restrict competition.
  2. Requirements which the bidder or offeror must fulfill and all other factors that will be used in evaluating the bids or proposals.
  3. A description, whenever practical, of technical requirements in terms of the functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
  4. The specific features of "brand name or equal" descriptions the bidders are required to meet when such terms are included in the solicitation.
  5. The acceptance, to the extent practical and economically feasible, of products or services with dimensions measured in the metric system.
  6. Preference, to the extent practical and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

## **Audit Requirements**

Under the Single Audit Act, and OMB Circular A-133, auditors are required to assess internal control and compliance. In the area of procurement, this would include assessing the grantee agency's written procurement procedures (including the approvals required, competition process, documentation records required, etc.), and may include reviewing a sample of actual purchases made during the audit year. However, since not all auditors perform their reviews in exactly the same way, the grantee agency may want to stipulate in the audit contract that the audit is to include assessment of the procurement process and controls.

Some of the types of audit findings in this area are:



- Not having required written procurement procedures (or having procedures that have not been updated to reflect the process actually in use).
- Not following grantee agency written procurement procedures.
- Not maintaining required supporting documentation in the procurement records.
- Not obtaining required approvals prior to purchase.
- Not determining whether a cost was allowable prior to purchase (which generally also results in a disallowance).
- Not providing open and free competition.

## Related Links

[45 CFR 74.40 - .48](#) Procurement Standards

[45 CFR 92.36](#) Procurement

[OMB Circular A-133](#) Audits of States, Local Governments, and Non-profit Organizations

Procurement Narrative. Fiscal Assistant. HHS/ACF/OHS. 2007. English.

Last Reviewed: January 2010

Last Updated: August 4, 2015

## GRANT AGREEMENT



BETWEEN  
 THE STATE OF ILLINOIS, ILLINOIS DEPARTMENT OF HUMAN SERVICES  
 AND  
 CHICAGO CITY OF

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

**PART ONE – THE UNIFORM TERMS  
 RECITALS**

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

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

**ARTICLE I  
 AWARD AND GRANTEE-SPECIFIC INFORMATION AND CERTIFICATION**

1.1. DUNS Number; SAM Registration; Nature of Entity. Under penalties of perjury, Grantee certifies that 956049399 is Grantee's correct DUNS number, that 36-6005820 is Grantee's correct FEIN or Social Security Number, and that Grantee has an active State registration and SAM registration (if federal funds). Grantee is doing business as a (check):

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

1.2. Amount of Agreement. Grant Funds (check one) ☐ shall not exceed or ☒ are estimated to be \$26,000,000.00, of which \$26,000,000.00 are federal funds. Grantee agrees to accept Grantor's payment as specified in the Exhibits and attachments incorporated herein as part of this Agreement.

State Of Illinois-Department of Human Services.

GRANT AGREEMENT FISCAL YEAR 2017 / 6 8 16

Published Revision : 2016.07.01.16.53.06 536

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1.3. Identification Numbers. If applicable, the Federal Award Identification Number (FAIN) is 16011LCCDF, the Federal awarding agency is Dept of Health and Human, and the Federal Award date is Oct 1, 2015. If applicable, the Catalog of Federal Domestic Assistance (CFDA) Name is Child Care Mandatory and and Number is 93.596. The Catalog of State Financial Assistance (CSFA) Number is 444-80-1223.

1.4. Term. This Agreement shall be effective on Jul 1, 2016 and shall expire on Jun 30, 2017, unless terminated pursuant to this Agreement.

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

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

[GRANTOR NAME]  
ILLINOIS DEPARTMENT OF HUMAN SERVICES

[GRANTEE NAME]  
CHICAGO CITY OF

James T. Dimas, Secretary

By: [Signature]  
Signature of (Head of Grantor) 2

By: [Signature]  
Signature of Authorized Representative

By: [Signature]  
Signature of Designee

Date: July 5, 2016

Printed Name: Lisa Morrison Butler

Date: AUG 16 2016

Printed Title: Commissioner

Printed Name: A. CONNOLLY  
Printed Title: CCNTRACT OBLIGATION ANALYST  
Designee

E-mail: Lisa.Morrison\_Butler@cityofchicago.org

By: \_\_\_\_\_  
Signature of First Other Approver, if Applicable  
Date: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Printed Title: \_\_\_\_\_

FEIN: 36-6005820

Other Approver

By: \_\_\_\_\_  
Signature of Second Other Approver, if Applicable  
Date: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Printed Title: \_\_\_\_\_

Second Other Approver

**ARTICLE II  
REQUIRED REPRESENTATIONS**

2.1. Standing and Authority. Grantee warrants that:

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

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

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

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

(e) This Agreement and all other documents related to this Agreement, including the Uniform Grant Application, the Exhibits and attachments to which Grantee is a party constitute the legal, valid and binding obligations of Grantee enforceable against Grantee in accordance with their respective terms.

2.2. Compliance with Internal Revenue Code. Grantee certifies that it does and will comply with all provisions of the Federal Internal Revenue Code (26 USC 1), the Illinois Revenue Act (35 ILCS 5), and all rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

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

2.4. Compliance with Uniform Grant Rules (2 CFR Part 200). Grantee certifies that it shall adhere to the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements, which are published in Title 2, Part 200 of the Code of Federal Regulations, and are incorporated herein by reference. See 44 Ill. Admin. Code 7000.30(b)(1)(A).

2.5. Compliance with Registration Requirements. Grantee and its sub-grantees shall: (i) be registered with the Federal SAM if seeking an Award that is partially or fully paid by Federal funds, and registered with the State equivalent of SAM; (ii) be in good standing with the Illinois Secretary of State; and (iii) have a valid DUNS number. It is Grantee's responsibility to remain current with these registrations and requirements. If Grantee's status with regard to any of these requirements change, or the certifications made in and information provided in the Uniform Grant Application changes, Grantee must notify the Grantor in accordance with ARTICLE XVIII.

### ARTICLE III DEFINITIONS

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

"2 CFR Part 200" means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published in Title 2, Part 200 of the Code of Federal Regulations.

"Agreement" or "Grant Agreement" has the same meaning as in 44 Ill. Admin. Code 7000.20.

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

"Allowable Costs" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"Award" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"Budget" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"CFDA" or "Catalog of Federal Domestic Assistance" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"Close-out Report" means a report from the Grantee allowing the Grantor to determine whether all applicable administrative actions and required work have been completed, and therefore closeout actions can commence.

"Conflict of Interest" has the same meaning as in 44 Ill. Admin. Code 7000.20.

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

"Cost Allocation Plan" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"CSFA" or "Catalog of State Financial Assistance" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"Direct Costs" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"Disallowed Costs" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"DUNS Number" means a unique nine digit identification number provided by Dun & Bradstreet for each physical location of Grantee's organization. Assignment of a DUNS Number is mandatory for all organizations seeking an Award from the State of Illinois.

"FAIN" means the Federal Award Identification Number.

"FFATA" or "Federal Funding Accountability and Transparency Act" has the same meaning as in 31 USC 6101; P.L. 110-252.

"Fixed-Rate" has the same meaning as in 44 Ill. Admin. Code 7000.20. "Fixed-Rate" is in contrast to fee-for-service, 44 Ill. Admin. Code 7000.20.

"GAAP" or "Generally Accepted Accounting Principles" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"Grant Funds" has the same meaning as in 30 ILCS 705.

"Indirect Costs" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"Indirect Cost Rate" means a device for determining in a reasonable manner the proportion of indirect costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, Grantor will not reimburse those Indirect Costs unless Grantee has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate.

"Indirect Cost Rate Proposal" has the same meaning as in 44 Ill. Admin. Code 7000.20.

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

"Nonprofit Organization" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"Notice of Award" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"OMB" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"Prior Approval" has the same meaning as in 44 Ill. Admin. Code 7000.20.

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

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

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

"Program Income" has the same meaning as in 44 Ill. Admin. Code 7000.20.

"Related Parties" has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-20.

"SAM" means the federal System for Award Management (SAM); which is the Federal repository into which an entity must provide information required for the conduct of business as a recipient. 2 CFR 25 Appendix A (1)(C)(1).

"State" means the State of Illinois.

"Term" has the meaning set forth in Paragraph 1.4.

"Unallowable Costs" has the same meaning as in 44 Ill. Admin. Code 7000.20.

#### ARTICLE IV PAYMENT

4.1. Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. Grantor may terminate or suspend this Agreement, in whole or in part, without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the Federal funding source, (ii) the Governor or Grantor reserves funds, or (iii) the Governor or Grantor determines that funds will not or may not be available for payment. Grantor shall provide notice, in writing, to Grantee of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

4.2. Illinois Grant Funds Recovery Act. Any Grant Funds remaining at the end of the Agreement period which are not expended or legally obligated by Grantee shall be returned to Grantor within forty-five (45) days after the expiration of this Agreement in accordance with the Grant Funds Recovery Act (30 ILCS 705/1et seq.). In the event of a conflict between the Grant Funds Recovery Act and the Grant Accountability and Transparency Act, the provisions of the Grant Accountability and Transparency Act shall control. 30 ILCS 708/80.

4.3. Cash Management Improvement Act of 1990. Unless notified otherwise in **PART TWO** or **PART THREE**, Federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvement Act of 1990 (31 USC 6501et seq.) and any other applicable Federal laws or regulations.

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

4.5. Modifications to Estimated Amount. If the Agreement amount is established on an estimated basis, then it may be increased by mutual agreement at any time during the Term. Grantor may decrease the estimated amount of this Agreement at any time during the Term if (i) Grantor believes Grantee will not use the funds during the Term, (ii) Grantor believes Grantee has used funds in a manner that was not authorized by this Agreement, (iii) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the Federal funding source, (iv) the Governor or Grantor reserves funds, or (v) the Governor or Grantor determines that funds will or may not be available for payment. Grantee will be notified, in writing, of any adjustment of the estimated amount of this Agreement. In the event of such reduction, services provided by Grantee under **Exhibit A** may be reduced accordingly. Grantee shall be paid for work satisfactorily performed prior to the date of the notice regarding adjustment. 2 CFR 200.308.

4.6. Interest.

(a) All interest earned on Grant Funds held by a Grantee shall become part of the Grant Funds when earned and be treated accordingly for all purposes, unless otherwise provided in **PART TWO**

or **PART THREE**. 30 ILCS 705/10.

(b) Grant Funds shall be placed in an insured account, whenever possible, that bears interest, unless exempted under 2 CFR Part 200.305(b)(8). All interest earned shall be considered Grant Funds and are subject to the same restrictions, unless there is an applicable Federal program rule that takes precedence.

(c) A Grantee who is required to reimburse Grant Funds pursuant to an action brought under the Grant Funds Recovery Act, and who enters into a deferred payment plan for the purpose of satisfying a past due debt, shall be required to pay interest on such debt as required by Section 10.2 of the Illinois State Collection Act of 1986, 30 ILCS 210; *See also* 30 ILCS 705/10.

4.7. **Timely Billing Required.** Grantee must submit any payment request to Grantor within thirty (30) days of the end of the quarter, unless another billing schedule is specified in **PART TWO** or **PART THREE**. Failure to submit such payment request timely will render the amounts billed an unallowable cost which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee shall timely notify Grantor and may request an extension of time to submit the payment request. Grantor's approval of Grantee's request for an extension shall not be unreasonably withheld.

4.8. **Certification.** Pursuant to 2 CFR 200.415, each invoice and report submitted by Grantee must contain the following certification by an official authorized to legally bind the Grantee:

By signing this report [or payment request], I certify to the best of my knowledge and belief that the report [or payment request] is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal or State award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

## ARTICLE V SCOPE OF GRANT ACTIVITIES/PURPOSE OF GRANT

5.1. **Scope of Grant Activities/Purpose of Grant.** Grantee will conduct the Grant Activities or provide the services as described in the Exhibits and attachments, including **Exhibit A** (Project Description) and **Exhibit B** (Deliverables), incorporated herein and in accordance with all terms and conditions set forth herein and all applicable administrative rules. All Grantor-specific provisions and programmatic reporting required under this Agreement are described in **PART TWO** (The Grantor-Specific Terms). All Project-specific provisions and reporting required under this Agreement are described in **PART THREE**.

5.2. **Scope Revisions.** Grantee shall obtain Prior Approval from Grantor whenever a Scope revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Scope revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. *See* 2 CFR 200.308.



5.3. Specific Conditions. If applicable, specific conditions required after a risk assessment will be included in Exhibit H. Grantee shall adhere to the specific conditions listed therein.

## ARTICLE VI BUDGET

6.1. Budget. The Budget is a schedule of anticipated grant expenditures that is approved by Grantor for carrying out the purposes of the Award. When Grantee or third parties support a portion of expenses associated with the Award, the Budget includes the non-Federal as well as the Federal share (and State share if applicable) of grant expenses. Within thirty (30) calendar days of execution of this Agreement, Grantee must submit to Grantor, via the Award's program manager, a proposed Budget, prepared in accordance with the template provided by Grantor. A decision indicating approval or disapproval of the proposed Budget shall be made by Grantor within sixty (60) calendar days after submission by Grantee. Once approved, a Budget, signed by Grantor staff, will be returned to Grantee.

6.2. Budget Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Budget revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Budget revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. 2 CFR 200.308.

6.3. Discretionary Line Item Transfers. Unless prohibited from doing so in 2 CFR 200.308, transfers between approved line items may be made without Grantor's approval only if the total amount transferred does not exceed the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item. Discretionary line item transfers may not result in an increase to the Budget.

6.4. Non-discretionary Line Item Transfers. Total line item transfers exceeding the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item require Grantor approval as set forth in Paragraph 6.2.

6.5. Notification. Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, Grantor will review the request and notify Grantee whether the Budget revision has been approved, denied, or the date upon which a decision will be reached.

## ARTICLE VII ALLOWABLE COSTS

7.1. Allowability of Costs; Cost Allocation Methods. The allowability of costs and cost allocation methods for work performed under this Agreement shall be determined in accordance with 2 CFR 200 Subpart E and Appendices III, IV, and V.

7.2. Indirect Cost Rate Submission.

(a) This Paragraph 7.2 applies only to:

- (i) A Grantee who charges, or expects to charge, any Indirect Costs; and
- (ii) A Grantee who is allowed to charge Indirect Costs under federal or state

statutes, state administrative rules, and agency or program rules, regulations and policies.

(b) A Grantee must submit an Indirect Cost Rate Proposal in accordance with federal regulations for approval no later than three months after the effective date of the Award, in a format prescribed by Grantor.

(c) A Grantee who has a current, applicable rate negotiated by a cognizant Federal agency shall provide to Grantor a copy of its Indirect Cost Rate acceptance letter from the Federal government. Grantor will accept that Indirect Cost Rate, up to any statutory, rule-based or programmatic limit.

7.3. Transfer of Costs. Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. *See* 2 CFR 200.451.

7.4. Higher Education Cost Principles. The Federal cost principles that apply to public and private institutions of higher education are set forth in 2 CFR Part 200 Subpart E and Appendix III.

7.5. Nonprofit Organizations Cost Principles. The Federal cost principles that apply to Nonprofit Organizations that are not institutions of higher education are set forth in 2 CFR Part 200 Subpart E, unless exempt under 2 CFR 200 Appendix VIII.

7.6. Government Cost Principles. The Federal cost principles that apply to State, local and Federally-recognized Indian tribal governments are set forth in 2 CFR Part 200 Subpart E, Appendix V, and Appendix VII.

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

7.8. Financial Management Standards. The financial management systems of Grantee must meet the following standards:

(a) **Accounting System.** Grantee organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each State- and Federally-funded Program. Accounting records must contain information pertaining to State and Federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other Grant Funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. *See* 2 CFR 200.302.

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

(i) The documentation standards for salary charges to grants are prescribed by 2 CFR 200.430, and in the cost principles applicable to the entity's organization (Paragraphs 7.4 through 7.7).

(ii) If records do not meet the standards in 2 CFR 200.430, then Grantor may notify Grantee in **PART TWO, PART THREE** or **Exhibit H** of the requirement to submit Personnel activity reports. See 2 CFR 200.430(i)(8). Personnel activity reports shall account on an after-the-fact basis for one hundred percent (100%) of the employee's actual time, separately indicating the time spent on the grant, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records should be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.

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

(iv) If third party in-kind (non-cash) contributions are used for Grant purposes, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control.** Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Grantee must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantee must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement.

(d) **Budget Control.** Records of expenditures must be maintained for each Award by the cost categories of the approved Budget (including indirect costs that are charged to the Award), and actual expenditures are to be compared with Budgeted amounts at least quarterly.

(e) **Cash Management.** Requests for advance payment shall be limited to Grantee's immediate cash needs. Grantee must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant Funds to avoid having excess funds on hand. 2 CFR 200.305.

7.9. **Federal Requirements.** All Grants, whether funded in whole or in part with either Federal or State funds, are subject to Federal requirements and regulations, including but not limited to 2 CFR Part 200, 44 III. Admin. Code 7000.30(b) and the Financial Management Standards in Paragraph 7.8.

7.10. **Profits.** It is not permitted for any person or entity to earn a Profit from an Award. See, e.g., 2 CFR 200.400(g); see also 30 ILCS 708/60(a)(7).

7.11. **Management of Program Income.** Grantee is encouraged to earn income to defray program costs where appropriate, subject to 2 CFR 200.307.

## ARTICLE VIII REQUIRED CERTIFICATIONS

8.1. **Certifications.** Grantee, its officers, and directors shall be responsible for compliance with the enumerated certifications to the extent that the certifications apply to Grantee.

(a) **Bribery.** Grantee certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor made an admission of guilt of such conduct which is a matter of record (30 ILCS 500/50-5).

(b) **Bid Rigging.** Grantee certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).

(c) **Debt to State.** Grantee certifies that neither it, nor its affiliate(s), is/are barred from receiving an Award because Grantee, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Grantee, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt, and Grantee acknowledges Grantor may declare the Agreement void if the certification is false (30 ILCS 500/50-11).

(d) **Educational Loan.** Grantee certifies that it is not barred from receiving State agreements as a result of default on an educational loan (5 ILCS 385/1et seq.).

(e) **International Boycott.** Grantee certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provision of the U.S. Export Administration Act of 1979 (50 USC Appendix 2401et seq. or the regulations of the U.S. Department of Commerce promulgated under that Act (15 CFR Parts 730 through 774).

(f) **Dues and Fees.** Grantee certifies that it is not prohibited from receiving an Award because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses them for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/1et seq.).

(g) **Pro-Children Act.** Grantee certifies that it is in compliance with the Pro-Children Act of 2001 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), which services are supported by Federal or State government assistance (except such portions of the facilities which are used for inpatient substance abuse treatment) (20 USC 7181-7184).

(h) **Drug-Free Work Place.** If Grantee is not an individual, Grantee certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. 30 ILCS 580/3. If Grantee is an individual and this Agreement is valued at more than \$5,000, Grantee certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the Agreement. 30 ILCS 580/4. Grantee further certifies that it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 41 USC 8102.

(i) **Motor Voter Law.** Grantee certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (52 USC 20501et seq.).

(j) **Clean Air Act and Clean Water Act.** Grantee certifies that it is in compliance with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 USC §7401et seq.) and the Federal Water Pollution Control Act, as amended (33 USC §1251et seq.).

(k) **Debarment.** Grantee certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any Federal department or agency (45 CFR Part 76), or by the State (See 30 ILCS 708/25(6)(G)).

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

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

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

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

(p) **Forced Labor Act.** Grantee certifies that it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (30 ILCS 583).

(q) **Illinois Use Tax.** Grantee certifies in accordance with 30 ILCS 500/50-12 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(r) **Environmental Protection Act Violations.** Grantee certifies in accordance with 30 ILCS 500/50-14 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(s) **Goods from Child Labor Act.** Grantee certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been produced in whole or in part by the labor of any child under the age of twelve (12) (30 ILCS 584).

(t) **Federal Funding Accountability and Transparency Act of 2006.** Grantee certifies that it is in compliance with the terms and requirements of 31 USC 6101.

#### ARTICLE IX CRIMINAL DISCLOSURE

State Of Illinois-Department of Human Services.

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9.1. **Mandatory Criminal Disclosures.** Grantee shall continue to disclose to Grantor all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this Award. See 30 ILCS 708/40. Additionally, if Grantee receives over \$10 million in total Grant Funds, funded by either State or Federal funds, during the period of this Award, Grantee must maintain the currency of information reported to SAM regarding civil, criminal or administrative proceedings as required by 2 CFR 200.113 and Appendix II of 2 CFR Part 200, and 30 ILCS 708/40.

## ARTICLE X UNLAWFUL DISCRIMINATION

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

- (a) The Illinois Human Rights Act (775 ILCS 5/1-101et seq.), including, without limitation, 44 Ill. Admin. Code Part 750, which is incorporated herein;
- (b) The Public Works Employment Discrimination Act (775 ILCS 10/1et seq.);
- (c) The United States Civil Rights Act of 1964 (as amended) (42 USC 2000a- and 2000h-6). (See also guidelines to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons [Federal Register: February 18, 2002 (Volume 67, Number 13, Pages 2671-2685)]);
- (d) Section 504 of the Rehabilitation Act of 1973 (29 USC 794);
- (e) The Americans with Disabilities Act of 1990 (42 USC 12101et seq.); and
- (f) The Age Discrimination Act (42 USC 6101et seq.).

## ARTICLE XI LOBBYING

11.1. **Improper Influence.** Grantee certifies that no Grant Funds have been paid or will be paid by or on behalf of Grantee to any person for influencing or attempting to influence an officer or employee of any government agency, a member of Congress or Illinois General Assembly, an officer or employee of Congress or Illinois General Assembly, or an employee of a member of Congress or Illinois General Assembly in connection with the awarding of any agreement, the making of any grant, the making of any loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any agreement, grant, loan or cooperative agreement. 31 USC 1352. Additionally, Grantee certifies that it has filed the required certification under the Byrd Anti-Lobbying Amendment (31 USC 1352), if applicable.

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

11.3. Lobbying Costs. Grantee certifies that it is in compliance with the restrictions on lobbying set forth in 2 CFR Part 200.450. For any Indirect Costs associated with this Agreement, total lobbying costs shall be separately identified in the Program Budget, and thereafter treated as other Unallowable Costs.

11.4. Procurement Lobbying. Grantee warrants and certifies that it and, to the best of its knowledge, its sub-grantees have complied and will comply with Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007 generally prohibits Grantees and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments, if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

11.5. Subawards. Grantee must include the language of this ARTICLE XI in the award documents for any subawards made pursuant to this Award at all tiers. All sub-awardees are also subject to certification and disclosure. Pursuant to Appendix II(I) to 2 CFR Part 200, Grantee shall forward all disclosures by contractors regarding this certification to Grantor.

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

## ARTICLE XII MAINTENANCE AND ACCESSIBILITY OF RECORDS; MONITORING

12.1. Records Retention. Grantee shall maintain for three (3) years from the date of submission of the final expenditure report, adequate books, all financial records and, supporting documents, statistical records, and all other records pertinent to this Award, adequate to comply with 2 CFR 200.333, unless a different retention period is specified in 2 CFR 200.333. If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken.

12.2. Accessibility of Records. Grantee, in compliance with 2 CFR 200.336, shall make books, records, related papers, supporting documentation and personnel relevant to this Agreement available to authorized Grantor representatives, the Illinois Auditor General, Illinois Attorney General, any Executive Inspector General, the Grantor's Inspector General, Federal authorities, any person identified in 2 CFR 200.336, and any other person as may be authorized by Grantor (including auditors), by the State of Illinois or by Federal statute. Grantee shall cooperate fully in any such audit.

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

12.4. Monitoring and Access to Information. Grantee must monitor its activities to assure compliance with applicable State and Federal requirements and to assure its performance expectations are being achieved. Grantor shall monitor the activities of Grantee to assure compliance with all requirements and performance

expectations of the award. Grantee shall timely submit all financial and performance reports, and shall supply, upon Grantor's request, documents and information relevant to the Award. Grantor may make site visits as warranted by program needs. See 2 CFR 200.328 and 200.331. Additional monitoring requirements may be in PART TWO or PART THREE.

### ARTICLE XIII FINANCIAL REPORTING REQUIREMENTS

13.1. Required Periodic Financial Reports. Grantee agrees to submit financial reports as requested and in the format required by Grantor. Grantee shall file quarterly reports with Grantor describing the expenditure(s) of the funds related thereto, unless more frequent reporting is required by the Grantee pursuant to specific award conditions. 2 CFR 200.207. The first of such reports shall cover the first three months after the Award begins. Quarterly reports must be submitted no later than 30 calendar days following the three month period covered by the report. Additional information regarding required financial reports may be set forth in **Exhibit H**. Failure to submit the required financial reports may cause a delay or suspension of funding. 30 ILCS 705/1et seq.; 2 CFR 207(b)(3) and 200.327.

13.2. Close-out Reports.

(a) Grantee shall submit a Close-out Report within 60 calendar days following the end of the period of performance for this Agreement. In the event that this Agreement is terminated prior to the end of the Term, Grantee shall submit a Close-out Report within 60 calendar days of such termination. The format of this Close-out Report shall follow a format prescribed by Grantor. 2 CFR 200.343.

(b) If an audit or review of Grantee occurs and results in adjustments after Grantee submits a Close-out Report, Grantee will submit a new Close-out Report based on audit adjustments, and immediately submit a refund to Grantor, if applicable. 2 CFR 200.344.

13.3. Annual Financial Reports.

(a) This Paragraph 13.3 applies to all Grantees, unless exempted by PART TWO or PART THREE.

(b) Grantees shall submit Annual Financial Reports within 180 days after the Grantee's fiscal year ending on or after June 30. This deadline may be extended at the discretion of the Grantor.

(c) The Annual Financial Report must cover the same period the Audited Financial Statements cover. If no Audited Financial Statements are required, however, then the Annual Financial Report must cover the same period as the Grantee's tax return.

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

(e) Annual Financial Reports shall follow a format prescribed by Grantor.

13.4. Effect of Failure to Comply. Failure to comply with reporting requirements shall result in the withholding of funds, the return of improper payments or Unallowable Costs, will be considered a material breach of this Agreement and may be the basis to recover Grant Funds. Grantee's failure to comply with this ARTICLE XIII,



ARTICLE XIV, or ARTICLE XV shall be considered prima facie evidence of a breach and may be admitted as such, without further proof, into evidence in an administrative proceeding before Grantor, or in any other legal proceeding.

#### ARTICLE XIV PERFORMANCE REPORTING REQUIREMENTS

14.1. Required Periodic Performance Reports. Grantee agrees to submit Performance Reports as requested and in the format required by Grantor. Performance Measures listed in Exhibit E must be reported quarterly, unless otherwise specified in PART TWO or PART THREE. Unless so specified, the first of such reports shall cover the first three months after the Award begins. If Grantee is not required to report performance quarterly, then Grantee must submit a Performance Report at least annually. In unusual circumstances where more frequent reporting is necessary some Grantees may be required to submit monthly Performance Reports; in such cases, Grantor shall notify Grantee of same in PART TWO or PART THREE. Pursuant to 2 CFR 200.328, periodic Performance Reports shall be submitted no later than 30 calendar days following the period covered by the report. For certain construction-related Awards, such reports may be exempted as identified in PART TWO or PART THREE. 2 CFR 200.328. Failure to submit such required Performance Reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*

14.2. Close-out Performance Reports. Grantee agrees to submit a Close-out Performance Report, in the format required by Grantor, within 60 calendar days following the end of the period of performance. See 2 CFR 200.343.

14.3. Content of Performance Reports. Pursuant to 2 CFR 200.328(b)(2) all Performance Reports must include Program qualitative and quantitative information, including a comparison of actual accomplishments to the objectives of the award established for the period; where the accomplishments can be quantified, a computation of the cost if required; performance trend data and analysis if required; and reasons why established goals were not met, if appropriate. Appendices may be used to include additional supportive documentation. Additional content and format guidelines for the Performance Reports will be determined by Grantor contingent on the Award's statutory, regulatory and administrative requirements, and are included in PART TWO or PART THREE of this Agreement.

14.4. Performance Standards. Grantee shall perform in accordance with the Performance Standards set forth in Exhibit F. See 2 CFR 200.301 and 200.210.

#### ARTICLE XV AUDIT REQUIREMENTS

15.1. Audits. Grantee shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and Subpart F of 2 CFR Part 200, and the audit rules set forth by the Governor's Office of Management and Budget. See 30 ILCS 708/65(c).

15.2. Single and Program-Specific Audits. If Grantee expends \$750,000 or more in Federal Awards (direct federal and federal pass-through awards combined) during its fiscal year, it must have a single audit or program-specific audit conducted for that year as required in 2 CFR 200.501 and other applicable sections of Subpart F. The audit and reporting package (including data collection form) must be completed as described in 2 CFR 200.512 (single audit) or 2 CFR 200.507 (Program-specific audit). The audit (and package) must be submitted

to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine months after the end of the audit period, whichever is earlier.

15.3. Financial Statement Audit. If Grantee expends less than \$750,000 in Federal Awards during its fiscal year and is not subject to the audit requirements in 15.2, but receives between \$300,000 and \$499,999 in Federal and State Awards combined, Grantee must have a financial statement audit conducted in accordance with Generally Accepted Auditing Standards (GAAS); if Grantee expends between \$500,000 and \$749,999 in Federal and State awards combined, Grantee must have a financial statement audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Grantee shall submit these financial statement audit reports to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) 180 calendar days after the end of the audit period, whichever is earlier.

15.4. For Profit Entities. A For-Profit entity that expends \$750,000 or more in Federal Awards (direct federal and federal pass-through awards combined) during its fiscal year is required to have a Program-specific audit conducted in accordance with 2 CFR 200.507. The Program-specific audit must be completed and the reporting required by 2 CFR 200.507 must be submitted to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine months after the end of the audit period, whichever is earlier. A For-Profit entity that expends less than \$750,000 in Federal Awards during its fiscal year, but receives between \$300,000 and \$499,999 in Federal and State Awards combined must have a financial statement audit conducted in accordance with Generally Accepted Auditing Standards (GAAS); a For-Profit entity that expends between \$500,000 and \$749,999 in Federal and State awards combined must have a financial statement audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). The For-Profit entity shall submit these financial statement audit reports to Grantor either within (i) 30 calendar days after receipt of the auditor's report(s) or (ii) 180 calendar days after the end of the audit period, whichever is earlier.

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

## ARTICLE XVI TERMINATION; SUSPENSION

### 16.1. Termination.

(a) This Agreement may be terminated, in whole or in part, by either Party for any or no reason upon thirty (30) days' prior written notice to the other Party. If terminated by the Grantee, Grantee must include the reasons for such termination, the effective date, and, in the case of a partial termination, the portion to be terminated. If Grantor determines in the case of a partial termination that the reduced or modified portion of the Award will not accomplish the purposes for which the Award was made, Grantor may terminate the Agreement in its entirety. 2 CFR 200.339(a)(4).

(b) This Agreement may be terminated, in whole or in part, by Grantor without advance notice:

(i) Pursuant to a funding failure under Paragraph 4.1;

(ii) If Grantee fails to comply with the terms and conditions of this or any Award, application or proposal, including any applicable rules or regulations, or has made a false representation in connection with the receipt of this or any Grant;

(iii) For cause, which may render the Grantee ineligible for consideration for future grants from the Grantor or other State agencies; or

(iv) If Grantee breaches this Agreement and either (1) fails to cure such breach within 15 calendar days' written notice thereof, or (2) if such cure would require longer than 15 calendar days and the Grantee has failed to commence such cure within 15 calendar days' written notice thereof. In the event that Grantor terminates this Agreement as a result of the breach of the Agreement by Grantee, Grantee shall be paid for work satisfactorily performed prior to the date of termination.

16.2. Suspension. Grantor may suspend this Agreement, in whole or in part, pursuant to a funding failure under Paragraph 4.1 or if the Grantee fails to comply with terms and conditions of this or any Award. If suspension is due to Grantee's failure to comply, Grantor may withhold further payment and prohibit Grantee from incurring additional obligations pending corrective action by Grantee or a decision to terminate this Agreement by Grantor. Grantor may determine to allow necessary and proper costs that Grantee could not reasonably avoid during the period of suspension.

16.3. Objection. If Grantor suspends or terminates this Agreement, in whole or in part, for cause, Grantee may avail itself of any opportunities to object and challenge such suspension or termination in accordance with any applicable written processes and procedures. 2 CFR 200.341.

#### 16.4. Effects of Suspension and Termination.

(a) Grantor may credit Grantee for expenditures incurred in the performance of authorized services under this Agreement prior to the effective date of a suspension or termination.

(b) Grantee shall not incur any costs or obligations that require the use of these Grant Funds after the effective date of a suspension or termination, and shall cancel as many outstanding obligations as possible.

(c) Costs to Grantee resulting from obligations incurred by Grantee during a suspension or after termination of the Agreement are not allowable unless:

i. Grantor expressly authorizes them in the notice of suspension or termination; and

ii. The costs result from obligations properly incurred before the effective date of suspension or termination, are not in anticipation of the suspension or termination, and the costs would be allowable if the Agreement was not suspended or terminated. 2 CFR 200.342.

16.5. Close-out of Terminated Agreements. If this Agreement is terminated, in whole or in part, the Parties shall comply with all close-out and post-termination requirements of this Agreement. 2 CFR 200.339(c).

## ARTICLE XVII

## SUBCONTRACTS/SUB-GRANTS

17.1. Sub-recipients/Delegation. Grantee may not subcontract nor sub-grant any portion of this Agreement nor delegate any duties hereunder without Prior Approval of Grantor. The requirement for Prior Approval is satisfied if the subcontractor or sub-grantee has been identified in the Uniform Grant Application, such as, without limitation, a Project Description, and Grantor has approved.

17.2. Application of Terms. Grantee shall advise any sub-grantee of funds awarded through this Agreement of the requirements imposed on them by Federal and State laws and regulations, and the provisions of this Agreement.

## ARTICLE XVIII NOTICE OF CHANGE

18.1. Notice of Change. Grantee shall notify the Grantor if there is a change in Grantee's legal status, Federal employer identification number (FEIN), DUNS number, SAM registration or the state equivalent registration status, Related Parties, senior management, or address. See 30 ILCS 708/60(a). If the change is anticipated, Grantee shall give thirty (30) days' prior written notice to Grantor. If the change is unanticipated, Grantee shall give notice as soon as practicable thereafter. Grantor reserves the right to take any and all appropriate action as a result of such change(s).

18.2. Failure to Provide Notification. Grantee shall hold harmless Grantor for any acts or omissions of Grantor resulting from Grantee's failure to notify Grantor of these changes.

18.3. Notice of Impact. Grantee shall immediately notify Grantor of any event that may have a material impact on Grantee's ability to perform this Agreement.

18.4. Circumstances Affecting Performance; Notice. In the event Grantee becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Grantee's ability to perform under this Agreement, Grantee shall notify Grantor, in writing, within five (5) calendar days of determining such litigation or transaction may reasonably be considered to have a material impact on the Grantee's ability to perform under this Agreement.

18.5. Effect of Failure to Provide Notice. Failure to provide the notice described in Paragraph 18.4 shall be grounds for immediate termination of this Agreement and any costs incurred after notice should have been given shall be disallowed.

## ARTICLE XIX REORGANIZATION AND BOARD MEMBERSHIP

19.1. Effect of Reorganization. Grantee acknowledges that this Agreement is made by and between Grantor and Grantee, as Grantee is currently organized and constituted. No promise or undertaking made hereunder is an assurance that Grantor agrees to continue this Agreement, or any license related thereto, should Grantee reorganize or otherwise substantially change the character of its corporate structure, business structure or governance structure. Grantee agrees that it will give Grantor prior notice of any such action and will provide any and all reasonable documentation necessary for Grantor to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. Failure to comply with

this ARTICLE XIX shall constitute a material breach of this Agreement.

## ARTICLE XX AGREEMENTS WITH OTHER STATE AGENCIES

20.1. Agreement Disclosure. Grantee shall fully disclose, in **Exhibit G**, all contracts and other agreements to which it is a party or it anticipates entering into within one month after the effective date of this Award with any other State agency. For each contract or agreement, Grantee shall indicate:

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

If Grantee has multiple Agreements with Grantor for the same fiscal year, Grantee only needs to supplement its previously submitted **Exhibit G**.

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

## ARTICLE XXI CONFLICT OF INTEREST

21.1. Required Disclosures. Grantee must immediately disclose in writing any potential or actual Conflict of Interest to the Grantor. 2 CFR 200.112 and 44 Ill. Admin. Code 7000.40(b)(3).

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

21.3. Request for Exemption. Grantee may request written approval from Grantor for an exemption from Paragraph 21.2. Grantee acknowledges that Grantor is under no obligation to provide such exemption and that Grantor may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as Grantor may require.

## ARTICLE XXII EQUIPMENT OR PROPERTY

22.1. Transfer of Equipment. Grantor shall have the right to require that Grantee transfer to Grantor

any equipment, including title thereto, purchased in whole with Grantor funds, if Grantor determines that Grantee has not met the conditions of 2 CFR 200.439(a). Grantor shall notify Grantee in writing should Grantor require the transfer of such equipment. Upon such notification by Grantor, and upon receipt or delivery of such equipment by Grantor, Grantee will be deemed to have transferred the equipment to Grantor as if Grantee had executed a bill of sale therefor.

22.2. Prohibition against Disposition/Encumbrance. The Grantee is prohibited from, and may not sell, transfer, encumber (other than original financing) or otherwise dispose of said equipment, material, or real property during the Grant Term without Prior Approval of Grantor. Any real property acquired using Grant Funds must comply with the requirements of 2 CFR 200.311.

22.3. Equipment and Procurement. Grantee must comply with the uniform standards set forth in 2 CFR 200.310–200.316 governing the management and disposition of property which cost was supported by Grant Funds. Any waiver from such compliance must be granted by either the President's Office of Management and Budget, the Governor's Office of Management and Budget, or both, depending on the source of the Grant Funds used. Additionally, Grantee must comply with the standards set forth in 2 CFR 200.317-200.326 for use in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Grant Funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal and State statutes and executive orders.

#### **ARTICLE XXIII PROMOTIONAL MATERIALS; PRIOR NOTIFICATION**

23.1. Publications, Announcements, etc. Use of Grant Funds for promotions is subject to the prohibitions for advertising or public relations costs in 2 CFR 200.421(e). In the event that Grantor funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Grantee agrees to include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase "Funding provided in whole or in part by the [Grantor]." Exceptions to this requirement must be requested, in writing, from Grantor and will be considered authorized only upon written notice thereof to Grantee.

23.2. Prior Notification/Release of Information. Grantee agrees to notify Grantor ten (10) days prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and to cooperate with Grantor in joint or coordinated releases of information.

#### **ARTICLE XXIV INSURANCE**

24.1. Purchase and Maintenance of Insurance. Grantee shall maintain in full force and effect during the Term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real or personal property, or both, purchased or, otherwise acquired, or improved in whole or in part, with funds disbursed pursuant to this Agreement. 2 CFR 200.310. Additional insurance requirements may be detailed in PART TWO or PART THREE.

24.2. Claims. If a claim is submitted for real or personal property, or both, purchased in whole with

funds from this Agreement and such claim results in the recovery of money, such money recovered shall be surrendered to Grantor.

## ARTICLE XXV LAWSUITS AND INDEMNIFICATION

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

25.2. Indemnification. To the extent permitted by law, Grantee agrees to hold harmless Grantor against any and all liability, loss, damage, cost or expenses, including attorneys' fees, arising from the intentional torts, negligence or breach of contract of Grantee, with the exception of acts performed in conformance with an explicit, written directive of Grantor. Indemnification by Grantor will be governed by the State Employee Indemnification Act (5 ILCS 350/1 *et seq.*) as interpreted by the Illinois Attorney General. Grantor makes no representation that Grantee, an independent contractor, will qualify or be eligible for indemnification under said Act.

## ARTICLE XXVI MISCELLANEOUS

26.1. Gift Ban. Grantee is prohibited from giving gifts to State employees pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/10-10) and Executive Order 15-09.

26.2. Access to Internet. Grantee must have Internet access. Internet access may be either dial-up or high-speed. Grantee must maintain, at a minimum, one business e-mail address that will be the primary receiving point for all e-mail correspondence from Grantor. Grantee may list additional e-mail addresses at any time during the Term of this Agreement. The additional addresses may be for a specific department or division of Grantee or for specific employees of Grantee. Grantee must notify Grantor of any e-mail address changes within five (5) business days from the effective date of the change.

26.3. Exhibits and Attachments. Exhibits A through H, PART TWO, PART THREE, if applicable, and all other exhibits and attachments hereto are incorporated herein in their entirety.

26.4. Assignment Prohibited. Grantee acknowledges that this Agreement may not be sold, assigned, or transferred in any manner by Grantee, to include an assignment of Grantee's rights to receive payment hereunder, and that any actual or attempted sale, assignment, or transfer by Grantee without the Prior Approval of Grantor in writing shall render this Agreement null, void and of no further effect.

26.5. Amendments. This Agreement may be modified or amended at any time during its Term by

mutual consent of the Parties, expressed in writing and signed by the Parties.

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

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

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

26.9. Compliance with Law. This Agreement and Grantee's obligations and services hereunder are hereby made and must be performed in compliance with all applicable Federal and State laws, including, without limitation, Federal regulations, State administrative rules, including 44 Ill. Admin. Code 7000, and any and all license requirements or professional certification provisions.

26.10. Compliance with Confidentiality Laws. If applicable, Grantee shall comply with applicable State and Federal statutes, Federal regulations and Grantor administrative rules regarding confidential records or other information obtained by Grantee concerning persons served under this Agreement. The records and information shall be protected by Grantee from unauthorized disclosure.

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

26.12. Precedence. In the event there is a conflict between this Agreement and any of the exhibits or attachments hereto, this Agreement shall control. In the event there is a conflict between **PART ONE** and **PART TWO** or **PART THREE** of this Agreement, **PART ONE** shall control. In the event there is a conflict between **PART TWO** and **PART THREE** of this Agreement, **PART TWO** shall control. In the event there is a conflict between this Agreement and relevant statute(s) or Administrative Rule(s), the relevant statute(s) or rule(s) shall control.

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

26.14. Entire Agreement. Grantee and Grantor acknowledge that this Agreement constitutes the entire agreement between them and that no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Grantee or Grantor.

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

26.16. Attorney Fees and Costs. If Grantor prevails in any proceeding to enforce the terms of this Agreement, including any administrative hearing pursuant to the Grant Funds Recovery Act or the Grant Accountability and Transparency Act, the Grantor has the right to recover reasonable attorneys' fees, costs and



expenses associated with such proceedings.

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**EXHIBIT A  
PROJECT DESCRIPTION**

FEDERAL PROGRAM NAME: CHILD CARE & DEV BLOCK GRNT/CHILD CARE DEV FUND MANDATORY & MATCHING  
STATE PROGRAM NAME: CHILD CARE-SITE ADMINISTERED  
PURPOSE OF GRANT

CSFA Number: 444-80-1223  
Appropriation Code: 80408490W  
Appropriation Desc: CHILD CARE SERVICES  
Appropriation Amount: \$20,000,000.00  
Use by DHS as Maintenance of Effort (MOE): No  
Use by DHS as Matching Funds: No  
CFDA: 93.596 - CFDA Name: Child Care Mandatory and Matching Funds of the Chi  
FAIN Number: 1601ILCCDF - FAIN Award Agency: Dept of Health and Human Services  
FAIN Award Date: Oct 1, 2015

CSFA Number: 444-80-1223  
Appropriation Code: 80408490W  
Appropriation Desc: CHILD CARE SERVICES  
Appropriation Amount: \$3,000,000.00  
Use by DHS as Maintenance of Effort (MOE): No  
Use by DHS as Matching Funds: No  
CFDA: 93.596 - CFDA Name: Child Care Mandatory and Matching Fund of the Chil  
FAIN Number: 1601ILCCDF - FAIN Award Agency: Dept of Health and Human Services  
FAIN Award Date: Oct 1, 2015

CSFA Number: 444-80-1223  
Appropriation Code: 80408490W  
Appropriation Desc: CHILD CARE SERVICES  
Appropriation Amount: \$3,000,000.00  
Use by DHS as Maintenance of Effort (MOE): No  
Use by DHS as Matching Funds: No  
CFDA: 93.596 - CFDA Name: Child Care Mandatory and Matching Fund of the Chil  
FAIN Number: 1601ILCCDF - FAIN Award Agency: Dept of Health and Human Services  
FAIN Award Date: Oct 1, 2015

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

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

## EXHIBIT B DELIVERABLES OR MILESTONES

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

1. Provide child care services at daily/weekly times that are consistent with the parental/child needs.
2. Recruit eligible families and children to their child care service.
3. Determine and redetermine client eligibility as instructed in the Bureau of Child Care and Development Child Care Assistance Program (CCAP) Policy Manual. Providers will use the Child Care Application and supporting documentation to determine eligibility. If the supporting documentation is missing, Site Administered Child Care providers must issue a written Request for Additional information as outlined in Policy Section 02.02.02 to the applicant/client for all missing information before making a determination of eligibility within 10 working days of receiving the application or redetermination. Supporting documentation includes, but is not limited to: the two most recent and consecutive pay stubs for all employed family members (other than the applicant and/or the second parent) age 21 and older, verification of enrollment in a training/education program, and the client's TANF Responsibility and Service Plan. In addition, Site Providers must use other electronic data bases provided by IDHS to verify eligibility information from the child care application and/or redetermination including, but not limited to, family composition, earned and unearned income and employment or education/training schedules according to the processes listed in the IPACS Training Manual.
4. Charge the Department the standard daily rate based on geographic area the provider is located in and age of child served. Site Administered Child Care Providers may charge the Child Care Assistance Program (CCAP) families up to these maximums provided they do not charge more for subsidized children than they do for private pay families, nor can Site Providers charge the Child Care Assistance Program (CCAP) families higher than the child maximum rate for regular care services (excluding fees).

Site Administered Child Care Providers are required to provide a listing of the child care rates charged to IDHS subsidized clients vs. the rates charged to private pay families, via a Child Care Rate Certification Form. This form is to be completed and submitted annually with the Site Administered Child Care contract packets.

Site Administered Child Care contracts will not be processed unless this certification is received.

**EXHIBIT B**

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

- a. Charge no more than \$2.00 per contracted child, per day, to offset the cost of eligibility determination services. For example: 35 children at \$2.00 per day for 250 eligible days would be \$17,500.
  - b. Family Child Care Networks will also be paid \$5.00 per contracted child, per day, to provide for additional training, resources and professional supports to licensed homes in the network.
5. Sites that have data entry access to CCMS must enter all application and redetermination information into the system within 10 working days of receipt. For Sites that do not have entry access into CCMS, the application/redetermination, along with all Request for Additional Information forms and notices of approval, denial or cancelation, must be sent electronically to IDHS BCCD CCElig within 10 working days after the eligibility decision has been made. This decision must be made within the first 30 working days of receiving the Application/Redetermination
  6. All Site Administered Child Care programs must provide either a Notice of Approval, Notice of Denial or Notice of Cancelation within 30 working days from the received date of the application, redetermination or change of information form.
  7. Calculate and collect parent fees (co-payments) based on income, family size, age of children in care, and the child care schedule per Policy Section 04.02.01.
  8. Develop a written agreement regarding parent fees that includes the case name, case number, amount and frequency of payments(s) and the consequences for failure to pay. This agreement is to be discussed with the parent(s) and signed by both the provider and the parent(s). A copy will be given to the parent(s) and a copy will be retained in the case file.
  9. Collect a minimum of 75% of parent fees (co-payments) during each year.
  10. Submit accurate monthly billing form(s), Monthly Enrollment Report (MER), to IDHS, Bureau of Child Care and Development, within 15 calendar days of the end of the month of service. Notations must be made to explain any changes to eligible days being billed for.
  11. Maintain appropriate fiscal records for review by IDHS or its designee.
  12. Provide services that are developmentally appropriate, culturally sensitive, linguistically appropriate and consistent with individual child needs.
  13. Seek parents' involvement in decisions affecting their children's care.
  14. Involve a Board of Directors and/or Advisory Council Committee in the operations of the program. If there are no parents on the Board of Directors, include them in an Advisory Committee or provide another mechanism for parental input to the agency's decision making process.
  15. Maintain licensed status with the Department of Children and Family Services (DCFS), meeting license standards during the entire contract period (licensed facilities). IDHS must be informed of any changes to the Site's licensing.
  16. Agencies operating networks of licensed family child care homes must assure that the

**EXHIBIT B**

chief program administrator and program coordinator are persons who meet the requirements for supervising a child care center under the Child Care Act of 1969 225 ILCS 10/1 et seq.

17.Cooperate with and coordinate information with caseworkers at the IDHS Family and Community Resource Center (FCRC, formerly known as Local Office), including but not limited to, posting the name and phone number of an IDHS contact person and notifying the FCRC whenever there are contracted slots available.

18.List their agency on the referral database of the appropriate child care resource and referral agency serving their area.

19.Make available to parents a list of the appropriate Child Care Resource and Referral (CCR&R) agencies serving the area.

20.Refer parents to community agencies, as needed. These would include, but are not limited to, mental health agencies, health and medical agencies, social service agencies, local school districts and early intervention agencies, e.g. Child and Family Connections (CFCs).

21.Have access to, and actively use, current technological capabilities, such as computer, internet access, long distance phone services, and fax and copying capabilities.

22.Sign-in and sign-out sheets are required in order to document the use of care. Site Providers must ensure that parents or authorized guardians have easy daily access to Sign-in and sign-out sheets. Provider participation in the Child Care Assistance Program may be terminated if the provider interferes with a parent or guardian's ability to complete the Sign-in and sign-out Sheet. This includes but is not limited to entering the times for the parent or guardian, signing the parent or guardian's name, or directing the parent or guardian to write in times other than what has actually occurred. Providers cannot sign the parent or guardian's initials or full signature on Sign-in and sign-out Sheets

23.Maintain case records for each eligible family receiving Child Care Assistance for at least five (5) years. These records may be reviewed in a monitoring visit. Designate staff that are responsible for the IDHS contract and ensure that staff is appropriately trained.

24.Assure job descriptions on file include the roles and responsibilities for administering the Child Care Assistance Program (CCAP).

25.Assure that designated staff attends all scheduled IDHS training regarding the Site Administered Child Care Program.

26.Distribute personnel policies upon employment and within 30 days of approved revisions.

27.In addition, all Site Administered contractors operating child care centers will:

a.Have procedures in place to contact a parent when a child is absent without notice for more than two (2) consecutive days and to make any needed adjustments to the families CCAP case based on changes in schedules and/or activities.

b.Assure that each on-site manager is familiar with publicly funded professional development opportunities available to staff, e.g., CCR&R training, StarNet, Gateways, et al.

**EXHIBIT B**

- c. Assure that at least 10% of the teaching staff (staff in positions to be left alone with a group of children) will meet Great Start education requirements.
  - d. Assure the child care director and the child care staff will all participate in a minimum of 15 clock hours of professional development/in-service training annually.
  - e. Assure the child care director and child care staff have received training on the 10 health and safety topics required for CCDF providers.
  - f. Assure that at least 10% of child care staff will be trained in blood borne pathogen and universal precautions and certified First Aid and CPR.
  - g. Have health policies and procedures reviewed by a qualified health professional, e.g., CCR&R nurse consultant.
  - h. Have a health professional visit the center monthly if the center serves infants and toddlers.
  - i. Encourage family involvement in children's programs using a variety of alternatives.
  - j. Be accessible to parents during all hours of operation, by phone or in person.
  - k. Assure that automated phone systems contain the option of being connected to a live person.
  - l. Demonstrate that they have a QRIS rating above licensing (a copy of the current QRIS Award certificate must be submitted to IDHS) OR must submit an action plan detailing steps that will be implemented and result in application to the QRIS.
28. Family Child Care Networks (FCCN) will:
- a. The FCCN chief program administrator and program coordinator, whether this is one or two actual positions, must meet the requirements for supervising a child care center under the DCFS Licensing Standards, Part 407.
  - b. FCCN staff will participate in fifteen (15) clock hours of professional development/in-service training in support of quality improvements in homes. These clock hours are in addition to the clock hours required by DCFS Licensing Standards.
  - c. Assure that network providers are licensed by DCFS and have at least the minimum insurance required by licensing. Provide licensing process support to contracted homes.
  - d. Provide a current one-year contract to each licensed child care home in the FCCN. The family child care home providers are independent contractors and not employees of the FCCN. The contract will delineate the respective responsibilities of the agency and the family child care home (FCCH) provider. A copy of the contract boilerplate must be submitted to the Bureau of Child Care and Development. FCCH provider contract agreements must be on file and available for review by IDHS.
  - e. Work with local CCR&R to recruit license exempt FCCHs to become licensed and join networks.
  - f. Make, at minimum, monthly visits to all network FCCH's to support their continuous quality improvement, using an appropriate rating scale tool. Develop a quality improvement plan with each FCCH and provide technical assistance and monitoring of the plan on future visits. Maintain records of provider visits and contacts. Work with each FCCH provider and other monitoring entities, e.g. licensing, to schedule visits so that they minimize disruptions to children's care.

**EXHIBIT B**

g. Make ten (10) clock hours of professional development available annually, in addition to the fifteen (15) clock hours required by DCFS licensing, by linking with professional development entities, like CCR&Rs, and coordinating professional development opportunities. Require FCCN family child care home providers to participate in the professional development.

h. Pay FCCH providers their published rate, up to the IDHS daily rate, for child care services that have been determined eligible for the CCAP within 10 calendar days of payment to the Network from IDHS. (I don't know if there has been discussion on this or not, but given the issues with HDC network it may be good to add something like this here)

i. Assure that family child care home providers maintain accurate Sign-in and sign-out daily records, including parent sign in/sign out signatures in ink for five (5) years.

Sign-in and sign-out sheets are required in order to document the use of care. FCH Providers must ensure that parents or authorized guardians have easy daily access to attendance sheets. FCH Provider participation in the Child Care Assistance Program may be terminated if the provider interferes with a parent or guardian's ability to complete the Sign-in and sign-out Sheet. This includes but is not limited to entering the times for the parent or guardian, signing the parent or guardian's name, or directing the parent or guardian to write in times other than what has actually occurred. Providers cannot sign the parent or guardian's initials or full signature on Sign-in and sign-out Sheets

j. Maintain a regular communication system with network homes that includes routine communication, resource distribution, and at least quarterly group meetings with FCCHs.

k. Support FCCHs in obtaining information about the ISBE Child and Adult Care Food Program, health insurance coverage, community resources, and other benefits to improve operations.

l. Plan and engage in collaborative activities so that FCCN children can access Early/Head Start and PreK/Preschool for All programming.

m. A minimum of one staff person at each Family Child Care Network shall attend the QRIS Orientation required for licensed family child care home providers to participate in ExceleRate Illinois. Other QRIS trainings should be attended as necessary to provide technical assistance to providers. Attendance certificates must be on file and available for review by IDHS.

n. Technical assistance and referrals related to QRS shall be available to all members of the FCCN.

Ensure that all CCAP paperwork and case actions are processed for families using home providers within the network.

**A. Eligibility**

Request in writing and obtain all missing information and documentation prior to making a determination of eligibility within 10 working days of receiving the application, redetermination or change of information.

- Use all computerized systems as outlined by BCCD to assist with the determination of client eligibility. Sites that have data entry access to CCMS must Review and enter into CCMS all initial and redetermination application no more than ten (10) working days from

**EXHIBIT B**

the date of receipt to determine if additional documentation is needed from the applicant or their provider

- For Sites that do not have entry access into CCMS, the application/redetermination, along with all Request for Additional Information forms, current case notes and notices of approval, denial or cancelation, must be sent to IDHS BCCD CCELIG within 10 working days after the eligibility decision has been made. This decision must be made within the first 30 working days of receiving the Application/Redetermination
- All Site Administered Child Care programs must provide a Notice of Approval, Notice of Denial or Notice of Cancelation within 30 working days from the received date of the application, redetermination or change of information form.
- Submit accurate monthly billing form(s) (Monthly Enrollment Report) to the Bureau of Child Care and Development, IDHS, within 15 calendar days of the end of the month of service.
- Report to the Bureau of Child Care and Development, IDHS, monthly the number of IDHS and non-IDHS funded children that have been served.
- Report to the Bureau of Child Care and Development, IDHS, the number of families, if any, referred to other community service agencies each month and to which agencies referrals were made.
- Maintain an average of 80% enrollment of contracted slots as identified via routine monitoring of the Provider. Failure to maintain 80% enrollment may result in loss of contracted slots.
- Assist clients as they complete an initial Child Care Application for the Child Care Assistance Program (CCAP). The application must be completed according to the directions which accompany the IL444-3455 form, and/or given in the Bureau of Child Care & Development CCAP Policy Manual. Ensure all documentation to support income and service eligibility is obtained.
- If it is discovered that a client is utilizing another provider that is being paid through a Child Care Resource and Referral (CCR&R) agency, either by communicating with the client or by a search on the CCMS, forward the application to the CCR&R to manage the entire case. These cases will be managed by the CCR&R and payment to the Site will be made through the Certificate program.
- Date stamp a client's application, according to Policy 02.01.01 of the Bureau of Child Care & Development CCAP Policy Manual, using the date the application was received/completed. All additional documentation, whether submitted with the application/redetermination, in response to a Request for Additional Information or in any other way obtained by Site staff must also be date stamped to reflect the date the form/documentation was received.
- Follow the instructions given in the Bureau of Child Care & Development Child Care CCAP Policy Manual to determine eligibility and assess the co-payment.
- A Request for Redetermination is generated by the CCMS during the next to last month of the client's eligibility period. Completion of this document and submission of all required documentation is required in order to continue eligibility. The Site is required



**EXHIBIT B**

to ensure the client completes this form within the guidelines in Policy 02.03.01 of the Bureau of Child Care & Development CCAP Policy Manual and the Child Care Program Plan in the Site Administered Contract.

- Assist clients in the completion of a Change of Information form, if information regarding an approved client changes at any time during an eligibility period and ensure all appropriate documentation is provided. Sites are to use the submitted information to determine if the family is still eligible and/or if the parent co-payment should be adjusted. Sites that have data entry access to CCMS must Review and enter into CCMS all Change of Information data no more than ten (10) working days from the date of receipt to determine if additional documentation is needed from the applicant or their provider. The Site must generate an approval or cancelation within 30 working days of the receipt of the Change of Information form.
- For Sites that do not have entry access into CCMS, the Change of Information form, along with all Request for Additional Information forms and notices of approval or cancelation, must be sent to IDHS BCCD CCElig within 10 working days after the eligibility decision has been made. This decision must be made within the first 30 working days of receiving the Change of Information form.

- Issue a Notice of Cancellation, according to the directions in Policy 02.07.01 of the Bureau of Child Care & Development CCAP Policy Manual, if at any time an approved client becomes ineligible. Ensure that the notice is submitted to BCCD (or entered into the CCMS if the Site has that access) within 10 working days.

- Issue a Notice of Denial, as instructed in Policy 02.02.03 of the Bureau of Child Care & Development CCAP Policy Manual, if at the time of application, a client is determined to be ineligible for the Child Care Assistance Program (CCAP) services. Ensure that the notice is submitted to BCCD (or entered into the CCMS if the Site has that access) within 10 working days.

- If it becomes necessary to for BCCD staff to request additional or missing information from the Site Provider and client in order to either confirm eligibility or to complete the CCMS data entry, a Request for Additional Information (RAI) form will be forwarded to the Site as outlined in Policy 02.02.02 of the Bureau of Child Care & Development CCAP Policy Manual.

**B. Payments**

- Providers will review all Monthly Enrollment Reports (MERs) forms for accuracy and completeness and ensure that billing information matches data which has been entered into the CCMS as demonstrated on the pre-printed Site Administered Monthly Enrollment Report (SAMER).
- Providers will enter actual attendance information for all children, using the proper coding and documentation as described on the MER instruction sheet.
- Providers will ensure that any cases not pre-printed on the SAMER, for whom care was provided during the month, will upload all necessary documentation into CCMS and DHS.CCElig. Providers may then include the children on the MER for the month. Providers

**EXHIBIT B**

will note and document explanations for any adjustments and/or unusual situations as warranted.

- If a provider receives a SAMER for both Site and Collaboration, the attendance percentage at the bottom of the MER should include days for both MERs.
- Providers will submit the completed MER to BCC&D at DHS.CCMER@illinois.gov on, or before, the 15th of the month following the month of service.
- Providers will receive and review the paid MER.
- Providers will submit a Supplemental Payment Request for any case(s) believed to have been paid in error, e.g. incorrect daily rate, attended vs. eligible days, etc.
- Providers will adjust/correct and resubmit any problem cases, as noted by the coding the paid MER, and wait to receive the corrected approval form from BCC&D.
- Providers will promptly submit a Supplemental Payment Request for past services upon receipt of an approval form for the client(s) or revision of previously billed requests for payment based on prior approved eligibility. Some cases may be ineligible for supplemental payment for a particular service period due to the time frames imposed under eligibility determination. Cases that fall into this type of situation should not be re-billed.

#### C. Appeals

- Provider will explain to the person appealing how they came to the decision being questioned.
- Provider will explain to the person appealing how to appeal the decision.
- If the client states that they will be filing an appeal, the Site Administered Provider will send everything that they have regarding the decision IMMEDIATELY to Springfield BCC&D Appeals staff at 100 South Grand Ave. East, Harris II, 2nd Floor. ATTN: Appeals, Springfield, IL 62762. The Site will work with BCCD staff to complete the Statement of Facts form required for all appeal hearings.
- The Site Administered Provider will plan to attend the Appeal Hearing by phone, if at all possible. For extremely controversial cases and decisions, attendance (in person or by phone) is required.

#### D. Case File Information

Providers must maintain case files for each family. Each case file must include the following:

- The original Child Care Application.
- The original of any and all subsequent Redetermination Forms.
- Copies of all required documentation:
  - o 2 most current and consecutive paystubs per eligibility period;
  - o Income verification letters/forms for new jobs or cash employment; Income tax returns, income tax quarterly filing, statement from employers, and a monthly statement of earnings for self-employment;
  - o Client grades, class schedules or letters confirming enrollment, if applicable; these

**EXHIBIT B**

documents must contain the client's name as part of the official document.

oA copy of the Responsibility and Service Plan, etc., if applicable;

oLetters from a certified professional (treating physician) supporting medical conditions, if applicable;

oBus or train schedules supporting travel time, if one way exceeds one hour.

oCopayment Calculation Worksheet

- Case notes – The site will complete a narrative of case action as well as notations made on all conversations, relevant to eligibility, between each parent/legal guardian and the site provider or the site provider and BCC&D, FCRC and/or the CCR&R. These notations are entered on the Child Care Management System (CCMS).

- Copies of all Approval, Denial and Cancellation letters as well as Requests for Additional Information forms for each case.

- Copies of any correspondence on each case from a parent/legal guardian, IDHS, etc.

- Applicable screen prints (IPACS, IES and any others deemed necessary for determination of eligibility).

**E. Additional Documentation/Information**

Each Site provider will be responsible for returning the Child Care Rate Certification located at the following link,

<http://intranet.dhs.illinois.gov/onenetlibrary/12/documents/Forms/IL444-4469.pdf>, with the contract signature page. Site providers will also provide a copy of the current Department of Children and Family Services license.

Each Site provider will also need to provide the Department of Human Services, Bureau of Child Care and Development, on a format provided by the Department, the following information by July 31, 2016.

Name, address and contact person, including e-mail address and phone number for each site location.

Total number of days opened for the contract year

Hours serving children each day

Vacation and illness policy

Days closed per contract year

For Home Network Providers, a list of home day care providers with their license number and capacity, hours open, age range, and days of week open.

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

**EXHIBIT C**  
**PAYMENT**

Grantee shall receive \$26,000,000.00 under this Agreement.

Enter specific terms of payment here:

Site Contract Providers shall submit the Monthly Enrollment Form to DHS.CCMER@illinois.gov by the 15th of the month following the month of service. Payment will be made on the approved billing.

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

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

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

**EXHIBIT D**  
**CONTACT INFORMATION**

**CONTACT FOR NOTIFICATION:**

Unless specified elsewhere, all notices required or desired to be sent by either Party shall be sent to the persons listed below.

**GRANTOR CONTACT**

Name: Lesa Boston  
 Title: Manager  
 Address: 100 South Grand Ave East, 2nd Floor  
Springfield, IL 62769  
 \_\_\_\_\_  
 Phone: 217-785-9160  
 TTY #: \_\_\_\_\_  
 Fax #: 217-785-9334  
 \_\_\_\_\_  
 E-mail Address: lesa.boston@illinois.gov

**GRANTEE CONTACT**

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

Additional Information: \_\_\_\_\_

**EXHIBIT E**  
**PERFORMANCE MEASURES**

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

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

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

- # of client records reviewed
- # of client records in compliance with BCCD Policies/Procedures
- # of applications and redeterminations processed within specified timeframes
- # of services billed within specified timeframes
- # of program components with which contractors complied
- # of financial components with which contractors complied

To be in compliance with their DHS BCCD monitoring reviews, contractors will:

- Provide 100% of client records and family case files requested by BCCD monitor on reviews, including applications and redeterminations processed, case cancellation and denial documentation.
- Provide 100% of attendance records requested by BCCD monitor.
- Demonstrate compliance or progress toward compliance for 100% of the 18 program components in the monitoring process, as applicable.
- Demonstrate compliance or progress toward compliance for 100% of the 12 financial components of the monitoring process, as applicable.
- Comply with 100% of the timelines specified by BCCD monitoring in the report response process.
- Submit a program improvement/corrective action plan to BCCD.
- Submit to BCCD monitors evidence of annual program self-assessment/audit and corrective actions taken to demonstrate improvement.

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

**EXHIBIT F**  
**PERFORMANCE STANDARDS**

The objectives in Exhibit F apply to the BCCD PIQA monitoring reviews of contractors.

Contractors will ensure that:

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

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

**EXHIBIT G**

**STATE AGENCY CONTRACTS**

For each contract or other agreement to which Grantee is a party with any other State agency, state:

1. The name of the State agency;
2. The number of the contract(s) or other agreement(s);
3. The estimated amount of the contract(s) or other agreement(s);
4. The term of the contract(s) or other agreement(s); and
5. The nature or purpose of the contract(s) or other agreement(s).



**EXHIBIT H  
SPECIFIC CONDITIONS**

N/A

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

**PART TWO – THE GRANTOR-SPECIFIC TERMS**

In addition to the uniform requirements in **PART ONE** of the Grant Agreement, the Grantor has the following additional requirements for its Grantee:

**ARTICLE XXVII  
ADDITIONAL CERTIFICATIONS**

27.1 **Certifications.** Grantee shall be responsible for compliance with the enumerated certifications to the extent that the certifications legally apply to Grantee:

(a) **Abuse of Adults with Disabilities Intervention Act.** Grantee certifies that it is in compliance with the Abuse of Adults with Disabilities Intervention Act to protect people with disabilities who are abused, neglected or financially exploited and who, because of their disability, cannot seek assistance on their own behalf. Anyone who believes a person with a disability living in a domestic setting is being abused, neglected or financially exploited must file a complaint with the Office of Inspector General, Department of Human Services. Grantee has an obligation to report suspected fraud or irregularities committed by individuals or other entities with whom it interacts on Grantor's behalf and should make a report to the appropriate program office (20 ILCS 2435/1et seq.).

(b) **Grant Award Requirements.** Grantee certifies that it is in compliance with 45 CFR Part 93 and 45 CFR Part 94.

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

**ARTICLE XXVIII  
ADDITIONAL TERMS**

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

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

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

personnel (such as a résumé) shall be included. 2 CFR 200.308.

28.4 Grant Funds Recovery. The provisions of 89 Ill. Adm. Code 511 shall apply to any funds awarded that are subject to the Illinois Grant Funds Recovery Act.

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

28.6 Gifts. In addition to the Gift ban described in Paragraph 26.1, Grantee will provide Grantor with advance notice of Grantee's provision of gifts, excluding charitable donations, given as incentives to community-based organizations in Illinois and clients in Illinois to assist Grantee in carrying out its responsibilities under this Agreement.

## **ARTICLE XXIX MONITORING AND INFORMATION**

29.1 Monitoring of Conduct. In addition to Article XII of **PART ONE**, Grantor shall monitor Grantee's conduct under this Agreement which may include, but shall not be limited to, reviewing records of performance in accordance with administrative rules, license status review, fiscal and audit review, Agreement compliance and compliance with the affirmative action requirements of this Agreement. Grantor shall have the authority to conduct announced and unannounced monitoring visits and Grantee shall cooperate with Grantor in connection with all such monitoring visits. Failure of Grantee to cooperate with Grantor in connection with announced and unannounced monitoring visits is grounds for Grantor's termination of this Agreement.

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

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

### ARTICLE XXX WORK PRODUCT

30.1 Assignment of Work Product. "Work Product" means all the tangible materials, regardless of format, delivered by Provider to DHS under this Agreement. Grantee assigns to Grantor all right, title and interest in and to Work Product. However, nothing in this Agreement shall be interpreted to grant Grantor any right, title or interest in Grantee's intellectual property that has been or will later be developed outside this Award.

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

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

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

### ARTICLE XXXI POST-TERMINATION/NON-RENEWAL

31.1 Duties. Upon notice by Grantor to Grantee of the termination of this Agreement or notice that Grantor will not renew, extend or exercise any options to extend the term of this Agreement, or that Grantor will not be contracting with Grantee beyond the term of this Agreement, Grantee shall, upon demand:

- (a) Cooperate with Grantor in assuring the transition of recipients of services hereunder for whom Grantee will no longer be providing the same or similar services or who choose to receive services through another Grantee.
- (b) To the extent permitted by law, provide copies of all records related to recipient services funded by Grantor under this Agreement.
- (c) Grant reasonable access to Grantor to any and all Program sites serving recipients hereunder to facilitate interviews of recipients to assure a choice process by which recipients may indicate provider preference.

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

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

## ARTICLE XXXII LINGUISTIC AND CULTURAL COMPETENCY GUIDELINES AND ASSURANCE

32.1. Plan Creation. For Grantees that do not have a Linguistic and Cultural Competency (LCC) Plan, the Grantee shall create its LCC Plan within one year following execution of this Agreement. The LCC Plan, including creation guidelines, is described on the Internet at <http://www.dhs.state.il.us/page.aspx?item=66602>.

32.2. Plan Implementation. For Grantees that have an LCC Plan, the Grantee certifies that it is updated annually to identify all goals met and to describe any efforts made toward meeting additional goals still in progress.

32.3. Plan Submission. Upon request, Grantee shall submit to the Grantor its LCC Plan, including any updates.

**PART THREE – THE PROJECT-SPECIFIC TERMS**

In addition to the uniform requirements in **PART ONE** and the Grantor-Specific Terms in **PART TWO**, the Grantor has the following additional requirements for this Project:

**ARTICLE XXXIII  
ADDITIONAL REQUIREMENTS**

33.1 Program Manual. The related Program Manual, if applicable, can be found via the following DHS website: <http://www.dhs.state.il.us/page.aspx?item=29741> and is hereby incorporated into this Agreement.

33.2 Program Attachment. The related Program Attachment, if applicable, is I . It can be found via the following DHS website: <http://www.dhs.state.il.us/page.aspx?item=29741> and is hereby incorporated into this Agreement.