

**REQUEST FOR APPLICATIONS  
(NC SHCP- DCFW2025-2026WCH)**

RFA Posted	November 22, 2024		
Questions Due	December 6, 2024		
Applications Due	December 20, 2024		
Anticipated Notice of Award	February 6, 2025		
Anticipated Performance Period	June 1, 2025 – May 31, 2026, with two (1) one-year optional extensions		
Service	NC School Health Center Program		
Issuing Agency	North Carolina Department of Health and Human Services Division of Child and Family Well-Being Whole Child Health Section		
E-mail Applications and Questions to	Michael Taylor School Health Center Consultant	Email	Michael.Taylor@dhhs.nc.gov

**THIS REQUEST FOR APPLICATIONS (RFA)** advertises the Division’s need for the services described herein and solicits applications offering to provide those services pursuant to the specifications, terms and conditions specified herein. All applications received shall be treated as offers to contract. If the Division decides to accept an application, an authorized representative of the Department will sign in the space provided below. Acceptance shall create a contract that is effective as specified below.

**THE UNDERSIGNED HEREBY SUBMITS THE FOLLOWING APPLICATION AND CERTIFIES THAT:** (1) he or she is authorized to bind the named Grantee to the terms of this RFA and Application; (2) the Grantee hereby offers and agrees to provide services in the manner and at the costs described in this RFA and Application; (3) this Application shall be valid for 60 days after the end of the application period in which it is submitted.

**To Be Completed by Grantee:**

Grantee Name:	Catchment Area # (see p.5):
Grantee’s Street Address:	E-Mail Address:
City, State & Street Address Zip:	Telephone Number:
Name & Title of Authorized Representative:	UEI Number:
Signature of Authorized Representative:	Date:

**Unsigned or Incomplete Applications Shall Be Returned Without Being Reviewed**

<b>NOTICE OF AWARD/FOR NC DHHS USE ONLY:</b> Application accepted and Contract # _____ awarded on _____. The Contract shall begin on _____ and shall terminate on _____.		
By: _____	Printed Name of Authorized Representative	Title of Authorized Representative

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## **1.0 INTRODUCTION**

The North Carolina School Health Centers Program (SHC) is administered through the School, Adolescent and Child Health Unit, Whole Child Health Section of the NC Division of Child and Family Well-Being. The purpose of this RFA is to provide funding support for School Health Centers (SHC's) that focus on primary and preventive medical care of older children and adolescents, ages 10 to 19. The School Health Centers (SHCs) provide access to comprehensive, coordinated and preventive health care either through direct services and programs and/or through referrals to other primary care providers including medical homes, medical specialists, mental and behavioral health agencies, nutritionists and other community services and programs. These SHCs focus on early intervention and prevention by assuring access to annual age-appropriate wellness visits (Health Check/Early Periodic Screening, Diagnosis and Treatment), health risk assessments and immunizations as well as providing chronic disease management and acute care in a primary medical care practice setting.

SHCs are located in or near high schools and middle schools to increase access to physical and mental health services for youth in local communities. There is a strong emphasis on preventive health services with the goal of improving children's health and readiness to learn. Services are provided in collaboration with individual schools, school districts, health care providers, medical homes, local health departments, and other community-based agencies. Services include acute medical care; management of chronic illness; mental health counseling; and preventive services, such as health education, physical and dental exams and nutrition services.

### **1.1 PURPOSE**

The purpose of this contract is to increase access to primary and preventive health care and improve health status and academic performance of older children and adolescents, ages 10 to 19 years.

### **1.2 BACKGROUND**

According to the Children's Defense Fund ([Childrens Defense Fund, 2023 State of America](#)) there are more than 2.8 million North Carolinians between the ages of 0 and 18, and many of these young people do not have access to the health care they need. The Children's Defense Fund also states that 1,345,625 children ages 0-18 were enrolled in Medicaid or Health Choice for Children. It has been estimated that 269,312 children and adolescents are uninsured (16.3%). Furthermore, 18.1% of children under the age of 18 are living in poverty and 8.8% are living in extreme poverty in North Carolina.

North Carolina Department of Public Instruction reports that 9,612 high school students (grades 9-13) in North Carolina public and public charter schools dropped out of school during the 2022-2023 school year, equating to a 1.95% dropout rate ([22-23 Dropout rates](#)). North Carolina has an 86.5% graduation rate, according to the 2022 - 2023 Graduation Rate Report ([22-23 Graduation rates](#)). Many of these young people live in communities that have increased risk factors due to social and economic factors. This "at risk" population often lives in areas with few health care providers, have limited knowledge of how to access the health care system, lack financial resources, and do not have transportation to access care. These youths are more likely to suffer academically, require hospitalization and long-term treatment, become subjects for interventions from the juvenile justice system, and be unable to transition into adulthood as healthy and productive members of society. Without adequate health care and positive behavioral and mental health interventions that are associated with improved academic success, older children and adolescents are more likely to mature into adults who are at greater risk for debilitating chronic diseases, such as cancer, diabetes, and heart disease, experience socio-economic problems such as poverty and unemployment, and suffer from mental/behavioral health problems that will be costly to themselves and to society.

The importance of addressing mental/behavioral health problems as well as medical conditions through age-appropriate primary care services is well documented. Data from the 2022 National Survey of Children's Health (NSCH) show that in 2021-2022, 18.6% of children under the age of 18 were reported to have suffered at least one adverse childhood experience in their lifetime and 12 percent experienced two or more ACEs (<https://www.childhealthdata.org/browse/survey/results?q=10696&r=1> )

The importance of addressing mental/behavioral health problems as well as medical conditions through age-appropriate primary care services is well documented. The 2022 National Survey of Children's Health, (<https://www.childhealthdata.org/browse/survey>) estimates that 24.5 % of children 3-17 years in North Carolina have one

or more mental, emotional, developmental, or behavioral conditions, which is lower than the 25.8 % national rate. North Carolina children ages 0-17 have a 23.9% prevalence of at least one health condition, which may affect attendance and school achievement. North Carolina adolescents aged 0-17 have a 22.1% prevalence of two or more lifelong health conditions as compared to the national estimate of 20.8%. Also, more than 28.7% of North Carolina adolescents, ages 10-17, are overweight or obese.

One of the goals of Healthy People NC 2030 is to improve child well-being by decreasing adverse childhood experiences. Adverse experiences such as exposure to trauma, violence, or neglect during childhood, increase the likelihood of poor physical and mental health as a child grows up (CDC Vital Signs, November 2019).

According to the Centers for Disease Control & Prevention, research shows that school health programs reduce the prevalence of health risk behaviors among young people and have a positive effect on academic performance ([https://www.cdc.gov/healthyyouth/health\\_and\\_academics/index.htm](https://www.cdc.gov/healthyyouth/health_and_academics/index.htm)). It is estimated that 70% of adolescent morbidity and mortality are associated with six behavioral risk factors: (1) intentional and unintentional injuries; (2) drug and alcohol use; (3) sexually transmitted diseases and unintended pregnancies; (4) tobacco use; (5) inadequate physical activity; and (6) poor dietary habits. Between 10% and 25% of adolescents experience mental health or substance use related problems serious enough to warrant early identification, evaluation and treatment by mental health professionals. In addition, at least 10% of this age group is reported to have a chronic health condition, such as asthma, diabetes or heart disease that may affect attendance and school achievement.

According to the 2021 Youth Risk Behavior Survey, 13.7% of North Carolina high school students (grades 9–12) were classified as being overweight ( $\geq 85$ th percentile but  $< 95$ th percentile for body mass index) and 19% had obesity ( $\geq 95$ th percentile for body mass index). Additionally, 29.4% of middle school students (grades 6–8) described themselves as slightly or very overweight. Parents reported that 33.5 % of youth ages 10 to 17 in North Carolina were overweight or obese ([https://www.americashealthrankings.org/explore/measures/youth\\_overweight/NC](https://www.americashealthrankings.org/explore/measures/youth_overweight/NC)). The goals of Healthy People NC related to nutrition and exercise include: (1) increase access to physical activity opportunities, (2) improve access to healthy foods, and (3) decrease sugar-sweetened beverage consumption to reduce overweight and obesity rates.

According to the *American Academy of Pediatrics (AAP) Committee on Adolescents and Bright Futures: Guidelines for Health Supervision of Infants, Children, and Adolescents*, 4<sup>th</sup> Ed., 2017, the preventable health problems and rapid developmental changes of older children and adolescents are best addressed through health services that provide comprehensive preventive counseling and screening services, including annual preventive health care visits for adolescents between 11 and 21 years of age. It is recommended that adolescent preventive visits include confidential screenings (through trigger questionnaires, clinical interviews, or other means), early identification, appropriate preventive care interventions, and referrals for behavioral, emotional, and medical risk, education and counseling on behavioral, emotional, and medical risks to health, and recommended immunizations.

The SHCs funded through RFA # shall contribute to the strategic goal of the North Carolina Department of Health and Human Services to support the development of services and programs that promote healthier children and youth who are more capable of being effective learners and who are more likely to graduate from high school and complete the transition into adulthood as healthy and productive citizens. The Whole Child Health Section is responsible for infrastructure development and implementation of direct services to women and children under the Maternal and Child Health Block Grant.

The state statute supporting RFA # is G.S. 130A-124: "Department to establish maternal and child health program. (a) The Department shall establish and administer a maternal and child health program for the delivery of preventive, diagnostic, therapeutic and rehabilitative health services to women of childbearing years, children and other persons who require these services. The program may include, but shall not be limited to, providing professional education and consultation, community coordination and direct care and counseling."

## **2.0 ELIGIBILITY**

The sponsoring agency, the contracting party for this grant, shall be a public or private non-profit institution or a for-profit (e.g. hospitals, non-profit organizations, local health departments, and federally qualified health centers) and be recognized locally and through documentation contained in the application as suitable for assuming managerial, medical

and fiduciary responsibilities. The program funds multiple models of school health care delivery by way of a traditional school-based health center, a school-linked health center, a mobile unit, and the utilization of telehealth equipment. SHC applicants selected for funding may utilize one or more of these models to provide services through their school health center. A “school-based” SHC is located on a school-campus and primarily provides services and programs for students on that campus. A “school-linked” SHC is usually located off a school campus and works collaboratively with multiple schools and other agencies to provide access to age-appropriate health care. A SHC that is located on a school campus and primarily providing services to students from other schools is also classified as “school-linked.” Mobile Units include mobile vans parked on or near a school campus. Through the telehealth model, staff are physically on site and/or at remote locations.

The SHCs selected through this RFA shall collaborate with local community agencies and organizations including the public schools, school districts and local education associations, school health advisory committees (SHACs), primary care providers (PCPs), local health departments (LHDs), federally funded community health centers (FQHCs), local mental health agencies and other appropriate community programs, organizations and agencies. They shall have advisory boards representing the diversity of the community that meet regularly. Applying SHCs may provide a comprehensive array of services directly through center staff including acute, chronic and preventive health services, health risk screening, mental health services and nutrition services or provide limited or specialty services and refer children and youth for additional care.

### **3.0 AWARD INFORMATION**

The total funding available in this RFA is \$1,377,664 (100% recurring State funding) for Year One, June 1, 2025-May 31, 2026. Funding will be awarded to an estimated 31 grantees based on both funding availability and what is in the best interest of the State of North Carolina for the purpose of increasing medical access to children and adolescents through the School Health Center Program. Individual center funding will be determined by a review committee led by the Division of Child and Family Well-Being (DCFW) that shall review the submitted proposals relative to the goals and outcomes that have been identified in this RFA, requested funding levels, detailed budgets, total projected income through billing, in-kind support, program plan and collaboration planning.

SHC grants shall be awarded for the following periods:

Year One: June 1, 2025 – May 31, 2026

Year Two: June 1, 2026 – May 31, 2027

Year Three: June 1, 2027 – May 31, 2028

### **4.0 DEFINITIONS, ACRONYMS AND ABBREVIATIONS**

SHC	School Health Center
DCFW	Division of Child and Family Well-Being,
WCH	Whole Child Health Section
PCP	Primary Care Provider
LHD	Local Health Department
UEI	Unique Entity Identifier
FERPA	Family Educational Rights and Family Act
HIPAA	Health Insurance Portability and Accountability Act

### **5.0 PROGRAMMATIC REQUIREMENTS AND PRIORITIES**

**SHC grants shall be awarded for the following periods: Year One: 06/01/25 – 05/31/26; Year Two: 06/01/26 – 05/31/27; and Year Three: 06/01/27 – 05/31/28**, contingent upon both availability of funds and compliance with the requirements and assurances contained in contracts resulting from this RFA. **Contract awards shall be announced by February 1, 2025.** Funds may be used to support personnel (salaries and fringes), contractual services, supplies (office and medical), medical equipment, management information systems, travel, and miscellaneous operating expenses such as telephone, postage and educational materials. Expenditures for equipment exceeding \$2,500 require prior approval from the Division of Child and Family Well-Being/Whole Child Health Section. To be eligible for funding, the applicant must meet requirements, criteria and standards stated in this RFA.

Priority for funding shall be given to the SHC's sponsoring agency that demonstrates with substantive documentation that their community has a high need of health services for older children and adolescents, has the capability to provide comprehensive primary care and preventive health services on site and/or through referrals, has the capacity to contribute to the contract objectives as stated in this RFA, and has provided evidence of their likelihood of sustainability for the three-year RFA timeline. The sponsoring agency shall submit one application that includes separate budgets for each SHC sponsored. The sponsoring agency, the contracting party for this grant, shall be a public or private non-profit institution and be recognized locally and through documentation contained in the application as suitable for assuming managerial, medical and fiduciary responsibilities.

## **5.1 GRANTEE RESPONSIBILITIES**

### CONTRACTING AGENCY RESPONSIBILITIES

- A. Operate one (or more) School Health Centers(s) that meets the following criteria:
  - 1. Maintain regularly scheduled hours equal to or more than half the hours that students are in school during the contract period.
  - 2. Provide access to comprehensive acute, chronic and preventive health care services including age-appropriate annual wellness visits in collaboration with individual schools, local education agencies (school districts), primary care and specialty medical providers and other agencies and community-based organizations.
  - 3. Provide or refer for age-appropriate comprehensive health assessments, health risk screenings which include developmental and behavioral surveillance, treatment, anticipatory guidance, education, referrals and/or follow-up on an annual basis to older children and adolescents who have used SHC services three or more times during the school year.
  - 4. Implement services that efficiently and effectively contribute to the contract outcomes and performance measures and comply with the quality standards relevant to the services that they provide.
- B. Meet the performance measures appropriate for the scope of services provided by the Center and report as required to the School Health Center Program:
  - 1. Total number of unduplicated students served.
  - 2. Demographic data to include Birth Year, Race and Gender
  - 3. Total number of visits by type including: total sum of visits when medical procedures were provided, total number of visits when preventive procedures were provided, total number of visits when behavioral/mental health procedures were provided, and total number of visits when nutrition procedures were provided.
  - 4. Total number and rate of unduplicated students served that are covered by: Health Check/Medicaid for Children, Medicaid, NC Health Choice/CHIP, Private Insurance, Medicare, Tri-care Military, Uninsured, Unknown, and Other.
  - 5. Total number and types of referrals to community providers including referrals for annual adolescent wellness visits, health risk assessments, immunizations, medical, behavioral/mental health, nutrition, and other.
  - 6. Total number of users with a Medical Home.
  - 7. Total number of users with a Dental Home.
  - 8. Top four medical diagnoses seen in the SHC (highest to lowest frequency)
  - 9. Outcome Data:
    - Asthma Screening & Control (Choose 2 of the 5 outcome measures below)
    - Number of unduplicated students under care that:
      - a. Consistently verbalized accurate knowledge of the pathophysiology of the student's condition

- b. Consistently demonstrated correct use of asthma inhaler and/or spacer
- c. Accurately listed asthma triggers
- d. Remained within peak flow/pulse oximeter plan goals
- e. Improved amount and/or quality of regular physical activity

10. Required School Based Health Association National Standardized Performance Measures

- a. Annual Well-Child Visit
- b. Depression Screening
- c. Annual Risk Assessment
- d. BMI Assessment/Nutrition & Physical Activity Counseling

The contract outcomes shall be to improve health and support the academic achievement of older children and adolescents, ages 10 to 19, who have limited access to health care. This shall be accomplished by providing increased access to age-appropriate, comprehensive, coordinated and preventive health care either through services and programs provided on site and/or referrals to other primary care providers, medical specialists, mental and behavioral health agencies, nutritionists and other community services and programs that are appropriate.

## **5.2 PERFORMANCE STANDARDS AND EXPECTATIONS**

### RESPONSIBILITIES AND ASSURANCES:

1. Provide oversight and maintain accountability for the medical, managerial, and fiduciary operation of the SHC.
2. Obtain appropriate written consent from a parent or guardian before providing services for each student seen in the SHC.
3. Implement quality services that are in compliance with *the North Carolina Quality Assurance Standards* including culturally and linguistically appropriate services, the Division of Medical Assistance *Health Check Program Guide* requirements, and the *Bright Futures* recommendations for adolescents, evidence-informed protocols, medical scope of practice and other national recommendations.
4. Provide services by qualified and appropriately licensed staff that shall function as a part of a multi-disciplinary team, maintain the required services, and report the number and type of providers available at each service site annually to the DCFW program contact.
5. Ensure that all students enrolled or served by the SHC have a medical home and a dental home. Results of all visits to the SHC and recommendations for follow-up shall be shared with students' medical home within 24 to 48 hours of the visit to the SHC and documented in the medical record (pursuant to appropriate release of information permissions as required by FERPA/HIPAA). For chronic physical and mental health conditions, shared plans of care between the school health center and medical home should be used whenever possible.
6. Ensure that all parents and students are informed of the procedure for obtaining medical and mental health services when the SHC is not in operation.
7. Maintain compliance with applicable Quality Assurance Standards and State or Federal regulations governing provision of health care services including immunizations.
8. Comply with reimbursement requirements to seek reimbursements from public and private insurers to sustain efficient business operations and sustainability of the SHC.
9. Maintain a Community Board and/or Advisory Council that meets at least quarterly and includes students, parents, school administrators, staff, and representative community agencies and community organizations. The Board/Council shall provide oversight for the school health center relative to capacity-building, sustainability, and the overall improvement (QI) process.
10. Support a bullying-free environment by adhering to bullying prevention guidelines, protocols, and policies in the local school system. Collaborate and assist with the Local Education Association/school promotion and implementation of a minimum of one "in-service" training or promotional activity relating to bullying prevention in schools targeted to faculty, staff, or students. Documentation of the activity shall be submitted to DCFW program contact during the contract year.
11. Develop other community collaborations and networks to promote health and academic success of older children and adolescents through coordinated, community-based services and programs that are based on strong partnerships between health providers and schools, local education agencies (LEAs) and School Health Advisory Committees (SHACs).

### **5.3 REPORTING REQUIREMENTS**

- A. Monthly Reporting Requirements
  - 1. Reimbursement request for services rendered the previous month by the 10th of each month
- B. Annually
  - 1. the number and type of providers available at each service site
  - 2. perform a clinical medical record review at least once during the fiscal reporting year as part of quality improvement plan and discuss and report findings in writing to the DCFW program contact
- C. Other
  - 1. Submit performance data twice during the fiscal year (Mid-Year and End of Year Data) on a submission form to be provided by the DCFW program contact

### **5.4 OTHER GRANTEE REQUIREMENTS**

If awarded, the grantee must notify WCH program staff of any staffing changes, including hiring and departures, throughout the grant cycle.

### **6.0 DIVISION RESPONSIBILITIES**

The Division of Child and Family Well-Being, Whole Child Health Section will be responsible for monitoring and oversight of the grant. Whole Child Health Section staff will provide technical assistance as appropriate. The Division of Child and Family Well-Being will provide payments as designated by the contract for reimbursement of expenses in accordance with the approved budget.

### **6.1 PERFORMANCE OVERSIGHT**

- 1. The Division of Child and Family Well-Being will monitor deliverables and performance measures through site visits and required reports (i.e., medical record audits, self-reported audits, on-site interviews and direct observation).
- 2. The Grantee agrees to participate in periodic site visits as needed, with a minimum of one per state fiscal year, as determined by the DCFW Program Contact.
- 3. If the Grantee is deemed out of compliance, program staff shall provide technical assistance based on a corrective action plan and funds may be withheld until the Grantee is in compliance. If technical assistance does not prove beneficial, the Contract/Agreement Addendum may then be terminated.

### **7.0 TERMS OF CONTRACT, OPTIONS TO EXTEND**

The performance period for this contract begins June 1, 2025 (or upon execution) and ends May 31, 2026. Up to two possible option years may be exercised by mutual agreement in accordance with the Terms and Conditions.

### **8.0 BUDGET**

The RFA/line-item budget shall constitute the total cost to the Division for complete performance in accordance with the requirements and specifications herein, including all applicable expenses such as administrative cost. Grantee shall not invoice for any amounts not specifically allowed for in the line-item budget of this RFA.

The Grantee shall use the Cost Table found in ATTACHMENT A: Line-Item Budget to create the Line-Item Budget and Budget Narrative. The Vendor shall not use any other tables or forms, nor modify the contents of any of the shaded cells in the Cost Table.

All costs provided in Line-item budget must be firm and fixed for the duration of the contract, which could last as long as three years if the State exercises its option for one additional year.



Guidance for the main budget categories are found below:

**A. Personnel**

Provide staff names (if known), position title, and a brief description of the positions that shall be funded with grant funds in the justification narrative section.

**B. Travel**

Identify name and titles of staff for whom travel is proposed, briefly explain the purpose of the travel and how it relates to the action plan, and provide an estimate of mileage and per diem costs showing how those expenses were calculated. (Note: travel must be computed at rates no higher than the current State regulations).

**Travel Reimbursement Rates**

Mileage reimbursement rates must be based on rates determined by the North Carolina Office of State Budget and Management (OSBM). Because mileage rates fluctuate with the price of fuel, the OSBM will release the “Change in IRS Mileage Rate” memorandum to be found on OSBM’s website when there is a change in this rate. **The current state mileage reimbursement rate is \$0.67 cents per mile.**

For other travel related expenses, please refer to the current rates for travel and lodging reimbursement. However, please be advised that reimbursement rates periodically change. The Division of Public Health will only reimburse for rates authorized in OSBM’s North Carolina Budget Manual or adopted by means of an OSBM Budget Memo. These documents are located here: <https://www.osbm.nc.gov/library> and in Project Budget below.

<b>Meals</b>	<b>In State</b>	<b>Out of State</b>
Breakfast	\$10.10	\$10.10
Lunch	\$13.30	\$13.30
Dinner	\$23.10	\$26.30
<i>Total Meals Per Diem Per Day</i>	<i>\$46.50</i>	<i>\$49.70</i>
<b>Lodging (Maximum rate per person, excludes taxes and fees)</b>	\$89.10	\$105.20
<b>Total Travel Allowance Per Day</b>	<b>\$135.60</b>	<b>\$154.90</b>
Mileage	\$0.67 per mile	

**Audits**

G.S. 143C-6-23 and 09 NCAC 03M .0205 require every nongovernmental entity (and any subrecipients) that receive State or Federal pass-through grant funds directly from a State agency to file annual reports on how those grant funds were used which may include an audit (for Level II reporting, see 2 CFR 200.501(a)). Level II audits may be charged to the grant.

**Indirect Cost**

Indirect cost means those costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. It may be necessary to establish multiple pools of indirect costs to facilitate equitable distribution of indirect expenses to the cost objectives served. Indirect cost pools must be distributed to benefitted cost objectives on the basis that will produce an equitable result in consideration of relative benefits derived.

**State Funds**

Indirect costs are allowed with the applicant’s federally negotiated rate, or if they do not have one, the applicant may use the de minimis rate of 15% applied to the modified total direct costs (MTDC). Note: Indirect costs may not be duplicated in the budget as both direct and indirect.

## **9.0 INVOICING AND REIMBURSEMENT**

Upon execution of this contract, the Grantee shall submit to the Division Contract Administrator, a monthly reimbursement request for services rendered the previous month by the 10th of each month and, upon approval by the Division, receive payment within 30 days. Monthly payment shall be made based on actual expenditures made in accordance with the approved budget on file with both parties and reported on the monthly expenditure report submitted by the Grantee. If this contract is terminated, the Grantee shall complete a final accounting report and return any unearned funds to the Division within 30 days of the contract termination date. The Division shall have no obligation for payments based on expenditure reports submitted later than 30 days after termination or expiration of the contract period. All payments are contingent upon fund availability.

## **10.0 THE SOLICITATION PROCESS**

The following is a general description of the process by which agencies or organizations will be selected to complete the goal or objective.

- 1) RFAs are being sent to prospective agencies and organizations.
- 2) Written questions concerning the RFA specifications will be received until the date specified on the cover sheet of this RFA. A summary of all questions and answers will be posted on the RFA web site.
- 3) Applications will be received from each agency or organization. The original must be signed and dated by an official authorized to bind the agency or organization.
- 4) All applications must be received by the funding agency not later than the date and time specified on the cover sheet of the RFA. Faxed applications will not be accepted.
- 5) At that date and time, the applications from each responding agency and organization will be logged in.
- 6) At their option, the evaluators may request additional information from any or all Grantees for the purpose of clarification or to amplify the materials presented in any part of the application. However, agencies and organizations are cautioned that the evaluators are not required to request clarification: therefore, all applications should be complete and reflect the most favorable terms available from the agency or organization.
- 7) Applications will be evaluated according to completeness, content, experience with similar projects, ability of the agency's or organization's staff, cost, etc. The award of a grant to one agency and organization does not mean that the other applications lacked merit, but that, all facts considered, the selected application was deemed to provide the best service to the State.
- 8) Agencies and organizations are cautioned that this is a request for applications, and the funding agency reserves the unqualified right to reject any and all applications when such rejections are deemed to be in the best interest of the funding agency.

## **11.0 GENERAL INFORMATION ON SUBMITTING APPLICATIONS**

- 1) Award or Rejection  
All qualified applications will be evaluated, and awards made to those agencies or organizations whose capabilities are deemed to be in the best interest of the funding agency. The funding agency reserves the unqualified right to reject any or all offers if determined to be in its best interest. Successful applicants will be notified by February 6, 2025.
- 2) Decline to Offer  
Any agency or organization that receives a copy of the RFA but declines to make an offer is requested to send a written "Decline to Offer" to the funding agency. Failure to respond as requested may subject the agency or organization to removal from consideration of future RFAs.
- 3) Cost of Application Preparation  
Any cost incurred by an agency or organization in preparing or submitting an application is the agencies or organizations sole responsibility; the funding agency will not reimburse any agency or organization for any pre-award costs incurred.
- 4) Elaborate Applications  
Elaborate applications in the form of brochures or other presentations beyond that necessary to present a complete and effective application are not desired.
- 5) Oral Explanations

The funding agency will not be bound by oral explanations or instructions given at any time during the competitive process or after awarding the grant.

- 6) Reference to Other Data  
Only information that is received in response to this RFA will be evaluated; reference to information previously submitted will not suffice.
- 7) Titles  
Titles and headings in this RFA and any subsequent RFA are for convenience only and shall have no binding force or effect.
- 8) Form of Application  
Each application must be submitted on the form provided by the funding agency, which will become the funding agency's Performance Agreement (contract).
- 9) Exceptions  
All applications are subject to the terms and conditions outlined herein. All responses will be controlled by such terms and conditions. The attachment of other terms and condition by any agency and organization may be grounds for rejection of that agency or organization's application. Funded agencies and organizations specifically agree to the conditions set forth in the Performance Agreement (contract).
- 10) Advertising  
In submitting its application, agencies and organizations agree not to use the results therefrom or as part of any news release or commercial advertising without prior written approval of the funding agency.
- 11) Right to Submitted Material  
All responses, inquiries, or correspondence relating to or in reference to the RFA, and all other reports, charts, displays, schedules, exhibits, and other documentation submitted by the agency or organization will become the property of the funding agency when received.
- 12) Competitive Offer  
Pursuant to the provision of G.S. 143-54, and under penalty of perjury, the signer of any application submitted in response to this RFA thereby certifies that this application has not been arrived at collusively or otherwise in violation of either Federal or North Carolina antitrust laws.
- 13) Agency and Organization's Representative  
Each agency or organization shall submit with its application the name, address, and telephone number of the person(s) with authority to bind the agency or organization and answer questions or provide clarification concerning the application.
- 14) Subcontracting  
Agencies and organizations may propose to subcontract portions of work provided that their applications clearly indicate the scope of the work to be subcontracted, and to whom. All information required about the prime grantee is also required for each proposed subgrantee.
- 15) Proprietary Information  
Trade secrets or similar proprietary data which the agency or organization does not wish disclosed to other than personnel involved in the evaluation will be kept confidential to the extent permitted by NCAC TO1: 05B.1501 and G.S. 132-1.3 if identified as follows: Each page shall be identified in boldface at the top and bottom as "CONFIDENTIAL." Any section of the application that is to remain confidential shall also be so marked in boldface on the title page of that section.
- 16) Participation Encouraged  
Pursuant to Article 3 and 3C, Chapter 143 of the North Carolina General Statutes and Executive Order No. 77, the funding agency invites and encourages participation in this RFA by businesses owned by minorities, women and the disabled including utilization as subgrantee(s) to perform functions under this Request for Applications.
- 17) Contract  
The Division will issue a contract to the recipient of the grant that will include their application.

Please be advised that successful Applicants may be required to have an audit in accordance with G. S. 143-6.2 as applicable to the agency or organization's status. Also, the contract may include assurances the successful Applicant would be required to execute when signing the contract.

## **12.0 APPLICATION CONTENT AND INSTRUCTIONS**

This section includes what the Applicant is required to provide the division with its application response. *The Applicant must clearly demonstrate (describe) in its proposal response* how the Applicant's Organization will meet or address the programmatic requirements described in the scope of work section of the RFA. The Applicant proposal shall include the following items in this specific order and clearly marked as such.

Whenever possible, use appendices to provide details, supplementary data, references, and information requiring in-depth analysis. These types of data, although supportive of the proposal, if included in the body of the design, could detract from its readability. Appendices provide the proposal reader with immediate access to details if and when clarification of an idea, sequence or conclusion is required. Timetables, work plans, schedules, activities, and methodologies, legal papers, personal vitae, letters of support, and endorsements are examples of appendices.

Applicants shall populate all attachments of this RFA that require the Applicant to provide information and include an authorized signature where requested. Applicant RFA responses shall include the following items, and those attachments should be arranged in the following order: Number each page consecutively. **(Please provide the order of arrangement and content and page count if applicable).**

**A. Cover Page with all fields completed, signed by an authorized official of the Applicant organization**

**B. Face Page**

- 1) The Applicant's name and principal place of business.
- 2) The Applicant's legal status: i.e., whether the Applicant is an individual, a corporation, a general partnership, a limited partnership, a joint venture or some other legal entity. The state in which the Applicant is incorporated or organized.

**C. Proposal Summary: (1 page limit)**

The summary should be prepared after the application has been developed in order to encompass all the key points necessary to communicate the objectives of the project. It is the document that becomes the cornerstone of the proposal, and the initial impression it gives will be critical to success of the venture..

**D. Organization Background and Qualifications: Describes the organization and its qualifications for funding (20 points, 3-page limit)**

- 1) Mission and goal of the Organization
- 2) A brief overview of the Applicant's history
- 3) Brief overview of the Applicant's experience with providing the service (organizations past achievements and accomplishments and evidence of its impact)
- 4) Brief overview of experience with grant funding. Describe any grants received over the last 3 years, services provided, lessons learned, etc.
- 5) Qualifications/background on organization's Board of Directors and Key Staff
- 6) The details of:
  - i) Any criminal convictions of any of the Applicant or any of their officers, directors, employees, agents or subgrantees of which the Applicant have knowledge or a statement that there are none;
  - ii) Any criminal investigations pending against of any of the Applicant or any of their officers, directors, employees, agents or subgrantees of which the Applicants have knowledge or a statement that there are none;
  - iii) Any regulatory sanctions levied against any of the Applicants or any of their officers, directors, employees, agents or subgrantees by any state or federal regulatory agencies within the past three years of which the Applicants have knowledge or a statement that there are none. As used herein, the term "regulatory sanctions" includes the revocation or suspension of any license or certification, the levying of any monetary penalties or fines, and the issuance of any written warnings;
  - iv) Any regulatory investigations pending against of any of the Applicants or any of their officers, directors, employees, agents or subgrantees by any state or federal regulatory agencies of which the Applicants have knowledge or a statement that there are none.  
Note: The Department may reject a proposal solely on the basis of this information.
  - v) Any of the Applicant's directors, partners, proprietors, officers or employees or any of the proposed project staff are related to any DHHS employees. If such relationships exist, identify the related individuals, describe their relationships, and identify their respective employers and positions.
  - vi) Assurance that the Applicant and the proposed Applicant staff are not excluded from participation by

Medicaid or the Office of the Inspector General of the United States Department of Health and Human Services.

- 7) Other major donors and summary of dollar amounts of contribution(s)

**E. Assessment of Need/s (Problem Statement) (Total = 15 points) (3 page limit)**

- 1) Provide an assessment of the size, age, health risk factors and service deficits of your target population, including the number of students in the school(s) you are serving, their race and ethnic composition, age-range, socio-economic status, available health care resources, insurance status, and geographical barriers to accessing primary care, mental health, nutrition, and/or preventive health services (*Note: Consider referencing data located at Robert Wood Johnson / County Health Rankings at: <https://www.rwjf.org/en/grants/grantee-stories/programs/county-health-ranking-roadmap.html>*)
- 2) Provide an assessment and a summary of data on the challenges to effective academic performance that exists among the target population with whom you are planning to work.
- 3) Describe health services that currently exist in the school(s) and community in which your target population lives. Describe the degree to which these services are physically and financially accessible to your target population and how the center will supplement and complement existing services.
- 4) Describe the overall socio-economic status of the community that the target population is part of; including health disparities, education level, income level, racial and ethnic composition and urban/rural environment (*Note: Consider referencing NC Department of Commerce / County Profiles at: <http://www.nccommerce.com/lead/research-publications/current-publications/county-profile>*)

**F. Capacity, Sustainability, Readiness: (15 points max) (5 page limit)**

1. Describe the positive factors, assets and strengths that will support a SHC to increase access to health services for the population you will serve.
2. Describe the challenges to sustainability.
3. Describe health outcomes and performance measures.
4. Provide an overview of strategies for long-term sustainability and capacity-building including acquisition of resources through effective billing, diversification of funding sources, new grant development, increased community collaboration and in-kind support.
5. List the total projected income sources for the SHC for 2025-2026 on Table 2 "Estimated Annual Income and In-Kind Support SFY 25 - 26".
6. Describe the sponsoring agency and its role in providing managerial, medical and fiduciary support for the SHC.

**G. Program Plan (Total Max = 25) (5 page limit)**

1. Describe how the SHC will address performance measures for prevention and health promotion. How will the center assure access to annual adolescent wellness visits, use of comprehensive health risk and strength assessments, adolescent immunizations, family participation, assessment and counseling for weight and physical activities and tobacco use counseling and treatment.
2. Describe how the SHC will provide access to SHC enrollees and users.
3. Describe how the SHC will provide outreach and access for Medicaid, Health Choice and uninsured older children and adolescents.
4. Describe how the SHC will address performance measures for mental and behavioral health and meet the mental health and behavioral health needs in your target population.
5. Provide a summary of a three-year strategic plan for SFY 25 - 26, SFY 26-27, and SFY 27-28.
6. Include a description of how you will develop partnerships within schools and within the community that will improve educational outcomes including decreased suspensions, decreased absenteeism, improved academic performance for at risk students and improved four-year graduation rates.
7. Identify the Management Information System (MIS) system for providing the required SHC Program Data and your success in providing required data with this system.

**Complete the following appropriate tables on the next pages:**

**Table 1:** "List of SHC Performance Measures SFY 25-26"

**Table 2:** "Estimate Annual Income and In-Kind Support DFY 25-26" (Submit only ONE for the sponsoring agency for this application)

**Table 3:** "SHC Personnel & Scope of Services SFY 25-26" (Submit ONE for each SHC)

**TABLE 1: List of SHC Performance Measures SFY 25-26**

**PERFORMANCE MEASURES**

**Below is a listing of some of the data outcomes that will be required by each School Health Center to report to the Program Administrator for the Mid-Year (MY) and End-of-Year (EOY) Required Reports.**

- 1. Total number of unduplicated SHC users ages 10-19**
- 2. Total number of unduplicated SHC users outside the 10-19 age range**
- 3. Total number of medical procedures**
- 4. Total number of preventive procedures**
- 5. Total number of behavioral/mental health procedures**
- 6. Total number of nutrition procedures**
- 7. Total number of SHC users by insurance type**
- 8. Total number of unduplicated SHC users with a medical home**
- 9. Total number of unduplicated SHC users with a dental home**
- 10. Total number of types of Referrals**
- 11. Top four diagnoses seen in your SHC**
- 12. Information for all staff at the School Health Center**
- 13. Outcome Data for Asthma Screening and Control**
- 14. Total number of Annual Well-Child /Adolescent Visits**
- 15. Total number of Depression Screenings**
- 16. Total number of Annual Risk Assessments**
- 17. Total number of BMI Assessments/Nutrition & Physical Activity Counseling Sessions**
- 18. Total number of Chlamydia Screenings**

**TABLE 2: Estimated Annual Income & In-Kind Support SFY 25-26**  
 (Submit only ONE for the sponsoring agency for this application)

<b>CATEGORY</b>	<b>REQUESTED FUNDING FROM THIS RFA</b>	<b>OTHER INCOME</b>	<b>SOURCES OF OTHER INCOME</b>	<b>IN-KIND CONTRIBUTIONS</b>	<b>SOURCES OF IN KIND CONTRIBUTIONS</b>	<b>TOTAL ESTIMATED RFA, OTHER INCOME AND IN-KIND SUPPORT</b>
<b>Children and Youth Grant RFA</b>						
<b>Patient Revenue</b>						
<b>Rent</b>						
<b>Federal Grant Allocation</b>						
<b>County Funding</b>						
<b>Local Funding</b>						
<b>Foundation Funding</b>						
<b>Other</b>						
<b>Other</b>						

*Add rows as necessary*



**TABLE 3: Personnel and Scope of Services SFY 25-26**  
(Submit ONE for each SHC)

<b>SERVICE SITE(S):</b> Identify location of primary center for direct services, schools that will be served, and services and programs that will be based at the schools on this and additional page if appropriate.	<b>PRIMARY SERVICE SITE:</b>	<b>SCHOOL #1</b>	<b>SCHOOL #2</b>	<b>SCHOOL #3</b>
<b>SERVICES in addition to Required Basic Services</b>	<b>*Services provided</b>	<b>*Services provided</b>	<b>*Services provided</b>	<b>*Services provided</b>
One or more required	<input type="checkbox"/> Preventive <input type="checkbox"/> Medical <input type="checkbox"/> Mental Health <input type="checkbox"/> Nutrition <input type="checkbox"/> Other	<input type="checkbox"/> Preventive <input type="checkbox"/> Medical <input type="checkbox"/> Mental Health <input type="checkbox"/> Nutrition <input type="checkbox"/> Other	<input type="checkbox"/> Preventive <input type="checkbox"/> Medical <input type="checkbox"/> Mental Health <input type="checkbox"/> Nutrition <input type="checkbox"/> Other	<input type="checkbox"/> Preventive <input type="checkbox"/> Medical <input type="checkbox"/> Mental Health <input type="checkbox"/> Nutrition <input type="checkbox"/> Other
<b># Days /week services available to students</b>	Days/wk.	Days/wk.	Days/wk.	Days/wk.
<b># hrs./wk. services available to students</b>	Hours/wk.	Hours/wk.	Hours/wk.	Hours/wk.
<b># hrs./wk. providers on site</b>	hours	hours	hours	hours
• <b>Physician</b>	hours	hours	hours	hours
• <b>Nurse Practitioner</b>	hours	hours	hours	hours
• <b>Physician Assistant</b>	hours	hours	hours	hours
• <b>Registered Nurse</b>	hours	hours	hours	hours
• <b>Mental Health Provider</b>	hours	hours	hours	hours
• <b>Nutritionist</b>	hours	hours	hours	hours
• <b>Other:</b>	hours	hours	hours	hours
• <b>Other:</b>	hours	hours	hours	hours
• <b>Other:</b>	hours	hours	hours	hours
<b># hrs./wk. administrative and support personnel on site</b>				
	hours	hours	hours	hours
	hours	hours	hours	hours
	hours	hours	hours	hours
	hours	hours	hours	hours

*Add additional schools as necessary*

**H. Partnerships and Community Involvement (Maximum 10 pts) (2 page limit)**

1. Describe your collaboration with community-based groups, agencies, sponsors, primary care providers, schools, local education agencies (LEAs), school health advisory committees (SHACs) and other strategic partners to promote health and academic success of older children and adolescents through coordinated services, programs and a system of care that focuses on the assets and risk factors in your target population.
2. Describe the structure and operation of the Advisory Committee. List members and summarize accomplishments. Outline plans for assuring broad representation from the community and how the Advisory Committee will play a leadership role in the development of your SHC.
3. Describe how you will work with parents and support families to increase the effectiveness of your programs, services and individual interventions.
4. Describe how the SHC will work with Primary Care Providers in the community and support the development of medical homes.

**I. Continuous Quality Improvement (Maximum 10 pts) (2 page limit)**

1. Describe a continuous quality improvement plan that includes an ongoing process of reviewing performance data by a multidisciplinary staff and the advisory board.
2. Outline an evaluation plan to evaluate the effectiveness of the SHC.

**J. Project Budget (Total max = 5 pts)**

Line-Item Budget and Budget Narrative. Every item that appears in the budget should be explained clearly, so the evaluator/ reviewer will understand it. The budget narrative should explain how the numbers in the budget were calculated and how each expense is related to the proposed project. The Budget Narrative is the justification of 'how' and/or 'why' a line item helps to meet the program deliverables. It is also used to determine if the cost in the contract is reasonable and permissible.

**Applications will only be accepted electronically**

**Submit complete Application, including signature of authorized representative to the Contract Administrator:**

**Michael Taylor via email [Michael.Taylor@dhhs.nc.gov](mailto:Michael.Taylor@dhhs.nc.gov) no later than 5:00 p.m. on December 20, 2024.**

**13.0 EVALUATION CRITERIA AND SCORING**

To have your application considered, please adhere to the instructions below. Applicants must address each of the areas and assemble the application in same sequence as shown below. Number each page consecutively beginning with the Application Face Sheet. No more than eighteen (18) narrative pages will be accepted, (D-I) not counting the Application Face Sheet, data tables, project budget and IRS Documentation (Items 6 and 7 below). One electronic copy as a Word document attachment should be emailed to Michael Taylor at: [Michael.Taylor@dhhs.nc.gov](mailto:Michael.Taylor@dhhs.nc.gov). The Application Face Sheet may be scanned with original signature and submitted as a pdf file.

All applications received on or before the declared deadline shall be reviewed to ensure all required information and documentation are complete and included in the submitted application, and that the application meets the criteria for a School Health Center. All qualified applications shall be reviewed by a multi-disciplinary evaluation committee within the Division of Child and Family Well-Being. The evaluation committee shall use an application scoring tool to score each of the applicant's response section (see below for scoring breakdown and scoring tool). The scored applications shall be submitted to an ad hoc group within DCFW who are familiar with the School Health Center Program. The ad hoc group will make a final determination on the number of applicants that shall be funded among the top scoring applicants and the amount of funding per selected applicant. At their option, the application reviewers may request additional information from any or all of the applicants for the purpose of clarification or to amplify the materials presented in any part of the application. However, applicants are cautioned that the reviewers are not required to request clarification of the information provided, therefore all applications should be complete and clearly written.

An application shall be determined to be complete if it does not exceed the page limit and contains the components listed below:

**PHASE I: INITIAL QUALIFYING CRITERIA**

The applicant’s proposal must meet all of the following Phase I application acceptance criteria in order to be considered for further evaluation. Any proposal receiving a “no” response to any of the following qualifying criteria shall be disqualified from consideration.

1. Cover Letter
2. Application Face Sheet
3. Application Response (with all content components)
4. Project Budget
5. Letters of Commitment and Support
6. IRS Documentation
7. Verification of 501(c)(3) Status Form (private non-profits)

**PHASE II: CRITERIA FOR SCORING PROPOSAL/APPLICATIONS**

Qualifying application proposals will be collectively scored by the proposal review team. All qualified applications will be evaluated, and awards made based on the following criteria considered, to result in awards most advantageous to the State. Applications will be scored on the content, quality, and completeness of the responses to the items in the scope of work and to how well each response addresses the following core factors. DHHS will consider scores, organizational capacity, and distribution among catchment areas, and variety of quality improvement plans in determining awards. Please note that Applicants not meeting the eligibility requirements or any of the minimum or mandatory requirements as stated in Phase I will not be scored.

Evaluation Criteria	Maximum score	Maximum pages
<b>Organizational Background and Qualifications</b>	20	3
<b>Determination of Need</b>	15	3
<b>Capacity, Sustainability, Readiness:</b>	15	3
<b>Program Plan</b>	25	5
<b>Partnerships and Community Involvement</b>	10	2
<b>Continuous Quality Improvement</b>	10	2
<b>Project Budget for SFY 25-26</b>	5	--
Total	100	18

**ATTACHMENT A**  
LINE-ITEM BUDGET AND BUDGET NARRATIVE

CATEGORY	ITEM	NARRATIVE	AMOUNT
HUMAN RESOURCES		Describe FTE's, responsibilities and % time worked	\$
	Salary/Wages		\$
	Fringe Benefits		\$
TOTAL HUMAN RESOURCES			
SUPPLIES AND MATERIALS			\$
	Furniture		\$
	Other	Office supplies narrative	\$
EQUIPMENT			\$
	Communication		\$
	Office		\$
	IT		\$
	Assistive Technology		\$
	Medical		\$
	Vehicles		\$
	Scientific		\$
	Other		\$
TRAVEL		Must adhere to current state rates	\$
	Applicant Staff	Technical assistance	\$
	Board Members Expense		\$
REPAIR AND MAINTENANCE			\$
STAFF DEVELOPMENT		Required trainings and conferences	\$
MEDIA/COMMUNICATIONS			\$
	Advertising		\$
	Audiovisual Presentations, Multimedia, TV, Radio Presentations		\$
	Logos		\$
	Promotional Items		\$
	Publications		\$
	PSA's and Ads		\$
	Reprints		\$
	Text translation		\$
	Websites and Web Materials		\$
PROFESSIONAL SERVICES			\$
	Legal		\$
	IT		\$
	Accounting		\$
	Payroll		\$
	Security		\$
DUES AND SUBSCRIPTONS			\$
OTHER			\$
	Audit Services		\$
	Service Payments		\$
	Incentives and Participants		\$

	Insurance and Bonding		\$
	Other		\$
SUBCONTRACTOR AND SUBGRANTEE COSTS			\$
INDIRECT COSTS			\$
APPLICANT MATCH (Not Required)			\$
			\$
			\$
TOTAL BUDGETED EXPENDITURES			\$

## **APPENDIX A**

### **TERMS AND CONDITIONS**

1. General Terms and Conditions
2. Master Agreement (UNC Systems) incorporated by reference

## GENERAL TERMS AND CONDITIONS

### Definitions

Links to definitions are provided to meet the intent and requirements of [NC Administrative Rules 09 NCAC Admin Code 03M.0102](#), and [the North Carolina General Statutes](#) unless otherwise noted. If the rule or statute that is the source of the definition is changed by the adopting authority, the change shall be incorporated herein.

### Relationships of the Parties

**Independent Contractor:** The Grantee is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Grantee represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Division.

**Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the contract. The Division shall not be obligated to pay for any work performed by any unapproved subcontractors or subgrantees. The Grantee shall be responsible for the performance of all its subcontractors/subgrantees.

**Assignment:** No assignment of the Grantee's obligations or the Grantee's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may: (a) Forward the Grantee's payment check directly to any person or entity designated by the Grantee, or (b) Include any person or entity designated by Grantee as a joint payee on the Grantee's payment check. In no event shall such approval and action obligate the State to anyone other than the Grantee and the Grantee shall remain responsible for fulfillment of all contract obligations.

**Beneficiaries:** Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and

the named Grantee. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Grantee that any such person or entity, other

than the Division or the Grantee, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

### Services

**Service Standards:** The Grantee shall provide services consistent with all applicable federal, state, and local laws, rules and regulations, and standards established by applicable accrediting agencies. The Grantee shall exercise independent professional judgment in the treatment and care of patients.

**Records:** The Grantee shall maintain complete and professionally adequate medical records consistent with the standards of practice and the profession. The Grantee shall prepare all reports, notes, forms, claims and correspondence that are necessary and appropriate to the Grantee's provision of professional services.

**Licenses:** During the term of this Agreement, the Grantee shall hold, a current license at the level required to practice the Grantee's profession and provide the contracted services in the State of North Carolina.

### Indemnity and Insurance

**Indemnification:** The Division, the State of North Carolina and Grantee agree to each be solely responsible for their own acts or omissions in the performance of each of their individual duties hereunder, and shall be financially and legally responsible for all liabilities, costs, damages, expenses and attorney fees resulting from, or attributable to any and all of their individual acts or omissions to the extent allowable by law.

(a) **Insurance:** During the term of the contract, the Grantee shall provide, at its sole cost and expense, commercial insurance of such types and with such terms and limits as may be reasonably associated with the contract. At a minimum, the Grantee shall provide and maintain the following coverage and limits:

(1) **Professional Liability:** The Grantee shall provide and maintain, through an insurance company or through a program of self-funded insurance, professional liability insurance for itself with limits of at least \$1,000,000 per

occurrence and at least \$3,000,000 in the aggregate.

(2) **Worker's Compensation Insurance:** The Grantee shall provide and maintain worker's compensation insurance, as required by the laws of the states in which its employees work, covering all of the Grantee's employees who are engaged in any work under the contract.

(3) **Employer's Liability Insurance:** The Grantee shall provide employer's liability insurance, with minimum limits of \$500,000.00, covering all of the Grantee's employees who are engaged in any work under the contract.

(4) **Commercial General Liability Insurance or A Program of Self Insurance:** The Grantee shall provide commercial general liability insurance on a comprehensive broad form on an occurrence basis with a minimum combined single limit of \$1,000,000.00 for each occurrence.

(5) **Automobile Liability Insurance or A Program of Self Insurance:** The Grantee shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage. The Grantee shall provide this insurance for all automobiles that are:

(A) owned by the Grantee and used in the performance of this contract;

(B) hired by the Grantee and used in the performance of this contract; and

(C) owned by Grantee's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.

The Grantee is not required to provide and maintain automobile liability insurance on any vehicle – owned, hired, or non-owned -- unless the vehicle is used in the performance of this contract.

(b) The Grantee understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Grantee's liability or obligations under this contract.

(c) The Grantee may obtain a waiver of any one or more of the requirements in subparagraph (a) by demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.

(d) The Grantee may obtain a waiver of any one or more of the requirements in paragraph (a) by

demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.

(e) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Grantee and is of the essence of this contract.

(f) With the exception of programs of self insurance, the Grantee shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.

(g) The Grantee shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.

(h) The Grantee shall require its subcontractor/grantees to comply with the requirements of this paragraph.

(i) The Grantee shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance, if requested, to the Division before the Grantee begins work under this contract.

#### **Default and Termination**

**Termination Without Cause:** The Division may terminate this contract without cause by giving **30 days written notice** to the Grantee. Grantee may terminate this contract without cause upon 90 days prior written notice to the Division. In either event, all finished or unfinished deliverable items prepared by the Grantee under this contract shall, at the option of the Division, become its property and the Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made.

**Termination for Cause:** Either party may terminate this Agreement for any material breach of the Agreement provided the breaching party is given written notice of the breach and 30 days from receipt of such notice to correct the breaching conditions as described in the notice. If, the Grantee should fail to fulfill its obligations under this contract in a timely and proper manner, the Division shall have the right to terminate this contract by giving written notice to the Grantee and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Grantee under this contract shall, at the option of the Division, become its property and the Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Grantee shall not be relieved of liability to the Division for damages sustained by the Division by virtue of the Grantee's breach of this agreement, and the Division may withhold any payment due the Grantee for



the purpose of setoff until such time as the exact amount of damages due the Division from such breach can be determined. In case of default by the Grantee, without limiting any other remedies for breach available to it, the Division may procure the contract services from other sources and hold the Grantee responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Grantee shall be an act of default under this contract.

**Waiver of Default:** Waiver by the Division of any default or breach in compliance with the terms of this contract by the Grantee shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Grantee and attached to the contract.

**Availability of Funds:** The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division.

**Force Majeure:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**Survival of Promises:** All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

**Patents And Inventions:** Any invention or discovery made or conceived in the performance of this contract (hereinafter called "*INVENTION*"), and any patent granted on such *INVENTION* shall be jointly or individually owned by Grantee and/or Division in accordance with the following criteria:

- (a) Title to any *INVENTION* made or conceived jointly by employees of both Grantee and Division in the performance of this contract (hereinafter called "*JOINT INVENTION*") vests jointly in Division and Grantee.
- (b) Title to any *INVENTION* made or conceived solely by employees or students of either Grantee or Division in the performance of this Contract vests in the party whose employees or students made or conceived the *INVENTION* or discovery.

**Publication:** Grantee and its investigators are free to publish papers dealing with the results of the research project, if any, sponsored under this Contract. However,

Division must be given thirty (30 days) to review such papers prior to any publication thereof. The Grantee shall acknowledge the Division's funding role in all publications.

**Similar Research:** Nothing in this Contract may be construed to limit the freedom of the Grantee or of its researchers who are participants under the Contract from engaging in similar research made under grants, contracts, or agreements with parties other than the Division.

**Federal Intellectual Property Bankruptcy Protection Act:** The Parties agree that the Division shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto.

### Compliance with Applicable Laws

**Compliance with Laws:** In the performance of this Agreement, the Grantee shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

**Equal Employment Opportunity:** The Grantee shall comply with all federal and State laws relating to equal employment opportunity in the performance of this Agreement.

**Health Insurance Portability and Accountability Act (HIPAA):** The Grantee agrees that, if the Division determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements in the performance of this Agreement and will execute such agreements and practices as the Division may require to ensure compliance.

### Confidentiality

**Confidentiality:** Any medical records, personnel information or other items exempt from the NC Public Records Act or otherwise protected by law from disclosure given to the Grantee under this contract shall be kept confidential and not divulged or made available to any individual or organization without the prior written approval of the Division. Subject to the foregoing provisions, Grantee reserves the right to use the results of all services provided under this contract for its teaching, research and publication purposes, provided such use is otherwise permitted by applicable law.

**Data Security:** The Grantee shall adopt and apply data security standards and procedures that comply with all

applicable federal, state, and local laws, regulations, and rules.

**Duty to Report:** The Grantee shall report a suspected or confirmed security breach to the Division's Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Grantee shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered. During the performance of this contract, the grantee is to notify the Division contract administrator of any contact by the federal Office for Civil Rights (OCR) received by the grantee.

**Cost Borne by Grantee:** If any applicable federal, state, or local law, regulation, or rule requires the Division or the Grantee to give affected persons written notice of a security breach arising out of the Grantee's performance under this contract, the Grantee shall bear the cost of the notice.

### Oversight

**Access to Persons and Records:** The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

**Record Retention:** See schedule for record retention for instructions on disposal timeframes. (<https://www.ncdhhs.gov/about/administrative-offices/office-controller/records-retention>)

**Government Review:** To the extent required by applicable law and pursuant to written requests from any appropriate governmental authority, Grantee and the Division shall make available to such appropriate governmental authority this Agreement and any books, records, documents and other records that are necessary to certify the nature and extent of the services provided and the cost claimed for services rendered pursuant to this Agreement or so as to otherwise comply with the requirements of any lawful agreement between the party and such governmental authority.

### Miscellaneous

**Choice of Law:** The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Grantee, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive

venue for any legal proceedings shall be Wake County, North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

**UEI and SAM Registration:** 2 CFR Part 25 requires all non-Federal entities that apply for grants and cooperative agreements with federal funding to obtain a Unique Entity Identifier (UEI) number.

**NC SOS:** Entities doing business with the State of North Carolina must register with the North Carolina Secretary of State (NC SOS) in accordance with all current statutes, regulations and all other requirements.

**Validations:** Entities listed on the NC Suspension of Funding List (SOFL), NC Debarred List, Iran Divestment List, or the Federal Exclusion List are ineligible to contract with the State until resolution of issues are validated. The Suspension of Funding List is posted at: [NC OSBM Suspension of Funding](#).

**Amendment:** This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Division and the Grantee. The Purchase and Contract Divisions of the NC Department of Administration and the NC Department of Health and Human Services shall give prior approval to any amendment to a contract awarded through those offices.

**Automatic Time-Limited Extension:** If the Grantee is a Non-Profit Grantee, as defined under (11a), this Contract may be automatically extended for up to three months if a formal extension or renewal contract has not been executed within ten (10) business days of the subsequent extension or renewal contract start date, and all of the following requirements are met:

- (i) the Non-Profit Grantee is receiving recurring funding or nonrecurring state and/or federal funding for each year of a fiscal biennium.
- (ii) the Non-Profit Grantee has certified, on a form provided by the Department, that it has received an unqualified audit report on its most recent financial audit when an audit is required by 09 NCAC 03M.0202;
- (iii) the Non-Profit Grantee has a track record of timely performance and financial reporting to the Department as required by the contract.
- (iv) the Non-Profit Grantee, as identified by the Department, does not have a record of noncompliance with the requirements of any funding source used to support the contract and has not received an undisputed notice of such a noncompliance from the Department. Noncompliance in this section is subject to the provisions around noncompliance found in

Section 2.(a) of [HB 791, Session Law 2022-52](#) and:

- (v) the Non-Profit Grantee has been in operation for at least five (5) years.

In the event of an automatic extension pursuant to this provision, the terms of the contract in existence at the end of the prior contract period shall govern the relationship and obligations of the party until the end of the three-month period or the execution of a formal extension or renewal of the contract, whichever occurs first. Refer to

[HB 791, Session Law 2022-52, Section 2](#) for further guidance.

**Severability:** In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

**Headings:** The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

**Gender and Number:** Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.

**Time of the Essence:** Time is of the essence in the performance of this contract.

**Key Personnel:** The Grantee shall not replace any of the key personnel assigned to the performance of this

contract without the prior written approval of the Division. The term “key personnel” includes any and all persons identified by as such in the contract documents and any

other persons subsequently identified as key personnel by the written agreement of the parties.

**Care of Property:** The Grantee agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the Division for loss of, or damage to, such property. At the termination of this contract, the Grantee shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

**Travel Expenses:** Reimbursement to the Grantee for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules. International travel shall not be reimbursed under this contract.

**Sales/Use Tax Refunds:** If eligible, the Grantee and all subcontractors/grantees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

**Advertising:** The Grantee shall not use the award of this contract as a part of any news release or commercial advertising.

## GENERAL TERMS AND CONDITIONS

### Relationships of the Parties

**Independent Contractor:** The Grantee is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Grantee represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Division.

**Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the contract. The Division shall not be obligated to pay for any work performed by any unapproved subcontractors or subgrantees. The Grantee shall be responsible for the performance of all its subcontractors/subgrantees.

**Assignment:** No assignment of the Grantee's obligations or the Grantee's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may: (a) Forward the Grantee's payment check directly to any person or entity designated by the Grantee, or (b) Include any person or entity designated by Grantee as a joint payee on the Grantee's payment check. In no event shall such approval and action obligate the State to anyone other than the Grantee and the Grantee shall remain responsible for fulfillment of all contract obligations.

**Beneficiaries:** Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Grantee. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Grantee that any such person or entity, other than the Division or the Grantee, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

### Indemnity and Insurance

**Indemnification:** The Grantee agrees to indemnify and hold harmless the Division, the State of North Carolina, and any of their officers, agents and employees, from any claims of third parties arising out of any act or omission of

the Grantee in connection with the performance of this contract to the extent permitted by law.

### Default and Termination

**Termination Without Cause:** The Division may terminate this contract without cause by giving 30 days written notice to the Grantee.

**Termination for Cause:** If, through any cause, the Grantee shall fail to fulfill its obligations under this contract in a timely and proper manner, the Division shall have the right to terminate this contract by giving written notice to the Grantee and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Grantee under this contract shall, at the option of the Division, become its property and the Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Grantee shall not be relieved of liability to the Division for damages sustained by the Division by virtue of the Grantee's breach of this agreement, and the Division may withhold any payment due the Grantee for the purpose of setoff until such time as the exact amount of damages due the Division from such breach can be determined. In case of default by the Grantee, without limiting any other remedies for breach available to it, the Division may procure the contract services from other sources and hold the Grantee responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Grantee shall be an act of default under this contract.

**Waiver of Default:** Waiver by the Division of any default or breach in compliance with the terms of this contract by the Grantee shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Grantee and attached to the contract.

**Availability of Funds:** The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division.

**Force Majeure:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**Survival of Promises:** All promises, requirements, terms, conditions, provisions, representations,

guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

### **Intellectual Property Rights**

**Copyrights and Ownership of Deliverables:** All deliverable items produced pursuant to this contract are the exclusive property of the Division. The Grantee shall not assert a claim of copyright or other property interest in such deliverables.

### **Compliance with Applicable Laws**

**Compliance with Laws:** The Grantee shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

**Equal Employment Opportunity:** The Grantee shall comply with all federal and State laws relating to equal employment opportunity.

**Health Insurance Portability and Accountability Act (HIPAA):** The Grantee agrees that, if the Division determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as the Division may require to ensure compliance.

### **Confidentiality**

**Confidentiality:** Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Grantee under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Division. The Grantee acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this contract.

**Data Security:** The Grantee shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.

**Duty to Report:** The Grantee shall report a suspected or confirmed security breach to the Division's Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Grantee shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour

after the breach is first discovered. During the performance of this contract, the grantee is to notify the Division contract administrator of any contact by the federal Office for Civil Rights (OCR) received by the grantee.

**Cost Borne by Grantee:** If any applicable federal, state, or local law, regulation, or rule requires the Division or the Grantee to give affected persons written notice of a security breach arising out of the Grantee's performance under this contract, the Grantee shall bear the cost of the notice.

### **Oversight**

**Access to Persons and Records:** The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

**Record Retention:** See schedule for record retention for instructions on disposal timeframes. (<https://www.ncdhhs.gov/about/administrative-offices/office-controller/records-retention>)

### **Miscellaneous**

**Choice of Law:** The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Grantee, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

**Amendment:** This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Division and the Grantee. The Purchase and Contract Divisions of the NC Department of Administration and the NC Department of Health and Human Services shall give prior approval to any amendment to a contract awarded through those offices.

**Severability:** In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent

it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

**Headings:** The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

**Gender and Number:** Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.

**Time of the Essence:** Time is of the essence in the performance of this contract.

**Key Personnel:** The Grantee shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the Division. The term "key personnel" includes any and all persons identified as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

**Care of Property:** The Grantee agrees that it shall be responsible for the proper custody and care of any

property furnished to it for use in connection with the performance of this contract and will reimburse the Division for loss of, or damage to, such property. At the termination of this contract, the Grantee shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

**Travel Expenses:** Reimbursement to the Grantee for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules or approved local government travel policy. International travel shall not be reimbursed under this contract.

**Sales/Use Tax Refunds:** If eligible, the Grantee and all subcontractor/subgrantees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

**Advertising:** The Grantee shall not use the award of this contract as a part of any news release or commercial advertising.

## GENERAL TERMS AND CONDITIONS

### Definitions

Links to definitions are provided to meet the intent and requirements of [NC Administrative Rules 09 NCAC Admin Code 03M.0102](#), and [the North Carolina General Statutes](#) unless otherwise noted. If the rule or statute that is the source of the definition is changed by the adopting authority, the change shall be incorporated herein.

### Relationships of the Parties

**Independent Contractor:** The Grantee is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Grantee represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Division.

**Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors or subrecipients specified in the contract documents are to be considered approved upon award of the contract. The Division shall not be obligated to pay for any work performed by any unapproved subcontractors or subrecipients. The Grantee shall be responsible for the performance of all its subcontractors/subrecipients.

**Assignment:** No assignment of the Grantee's obligations or the Grantee's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may: (a) Forward the Grantee's payment check directly to any person or entity designated by the Grantee; or (b) Include any person or entity designated by Grantee as a joint payee on the Grantee's payment check. In no event shall such approval and action obligate the State to anyone other than the Grantee and the Grantee shall remain responsible for fulfillment of all contract obligations.

**Beneficiaries:** Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Grantee. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Grantee that any such person or entity, other than the Division or the Grantee, receiving services or

benefits under this contract shall be deemed an incidental beneficiary only.

### Indirect Cost

**Indirect Cost:** The Grantee shall use their federally negotiated indirect cost rate in the recovery of administrative expenses associated with the funded contract. If the Grantee does not have a federally negotiated indirect cost rate from a federal cognizant agency, or has a previously negotiated but expired rate, the Grantee may be allowed to take the de minimis rate or 15% of modified total direct costs. In lieu of the above, the Grantee may negotiate an indirect cost rate with the DHHS Office of the Controller, Cost Analysis/Federal Financial Reporting/Administrative Section.

If a statutory cap on administrative expense has been set by the state or federal program, either in legislation or regulation, then the cap will take precedence. ([CFR Title 2, Ch.II, Part 200.414](#), [SL2022-52, 2.\(c\)](#)).

### Indemnity and Insurance

**Indemnification:** The Grantee agrees to indemnify and hold harmless the Division, the State of North Carolina, and any of their officers, agents and employees, from any claims of third parties arising out of any act or omission of the Grantee in connection with the performance of this contract.

**Insurance:** (a) During the term of the contract, the Grantee shall provide, at its sole cost and expense, commercial insurance of such types and with such terms and limits as may be reasonably associated with the contract. At a minimum, the Grantee shall provide and maintain the following coverage and limits:

- (6) **Worker's Compensation Insurance:** The Grantee shall provide and maintain worker's compensation insurance, as required by the laws of the states in which its employees work, covering all of the Grantee's employees who are engaged in any work under the contract.
- (7) **Employer's Liability Insurance:** The Grantee shall provide employer's liability insurance, with minimum limits of \$500,000.00, covering all of the Grantee's employees who are engaged in any work under the contract.
- (8) **Commercial General Liability Insurance:** The Grantee shall provide commercial general liability insurance on a comprehensive broad form on an occurrence basis with a minimum combined single limit of \$1,000,000.00 for each occurrence.
- (9) **Automobile Liability Insurance:** The Grantee shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily

injury and property damage; a limit of \$500,000.00 for uninsured/under insured motorist coverage; and a limit of \$2,000.00 for medical payment coverage. The Grantee shall provide this insurance for all automobiles that are:

- (A) owned by the Grantee and used in the performance of this contract;
- (B) hired by the Grantee and used in the performance of this contract; and
- (C) owned by Grantee's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.

The Grantee is not required to provide and maintain automobile liability insurance on any vehicle – owned, hired, or non-owned -- unless the vehicle is used in the performance of this contract.

- (b) The insurance coverage minimums specified in subparagraph (a) are exclusive of defense costs.
- (c) The Grantee understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Grantee's liability or obligations under this contract.
- (d) The Grantee may obtain a waiver of any one or more of the requirements in subparagraph (a) by demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.
- (e) The Grantee may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.
- (f) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Grantee and is of the essence of this contract.
- (g) The Grantee shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.
- (h) The Grantee shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.
- (i) The Grantee shall require its subgrantees to comply with the requirements of this paragraph.
- (j) The Grantee shall demonstrate its compliance with the requirements of this paragraph by submitting

certificates of insurance, if requested, to the Division before the Grantee begins work under this contract.

### **Default and Termination**

**Termination Without Cause:** The Division may terminate this contract without cause by giving 30 days written notice to the Grantee.

**Termination for Cause:** If, through any cause, the Grantee shall fail to fulfill its obligations under this contract in a timely and proper manner, the Division shall have the right to terminate this contract by giving written notice to the Grantee and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Grantee under this contract shall, at the option of the Division, become its property and the Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Grantee shall not be relieved of liability to the Division for damages sustained by the Division by virtue of the Grantee's breach of this agreement, and the Division may withhold any payment due the Grantee for the purpose of setoff until such time as the exact amount of damages due the Division from such breach can be determined. In case of default by the Grantee, without limiting any other remedies for breach available to it, the Division may procure the contract services from other sources and hold the Grantee responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Grantee shall be an act of default under this contract.

**Waiver of Default:** Waiver by the Division of any default or breach in compliance with the terms of this contract by the Grantee shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Grantee and attached to the contract.

**Availability of Funds:** The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division.

**Force Majeure:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**Survival of Promises:** All promises, requirements, terms, conditions, provisions, representations,



guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

### **Intellectual Property Rights**

**Copyrights and Ownership of Deliverables:** All deliverable items produced pursuant to this contract are the exclusive property of the Division. The Grantee shall not assert a claim of copyright or other property interest in such deliverables.

**Federal Intellectual Property Bankruptcy Protection Act:** The Parties agree that the Division shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365 (n) and any amendments thereto.

### **Compliance with Applicable Laws**

**Compliance with Laws:** The Grantee shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

**Equal Employment Opportunity:** The Grantee shall comply with all federal and State laws relating to equal employment opportunity.

**Health Insurance Portability and Accountability Act (HIPAA):** The Grantee agrees that, if the Division determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as the Division may require to ensure compliance.

### **Confidentiality**

**Confidentiality:** Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Grantee under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Division. The Grantee acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this contract.

**Data Security:** The Grantee shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.

**Duty to Report:** The Grantee shall report a suspected or confirmed security breach to the Division's Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Grantee shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered. During the performance of this contract, the Grantee is to notify the Division contract administrator of any contact by the federal Office for Civil Rights (OCR) received by the Grantee.

**Cost Borne by Grantee:** If any applicable federal, state, or local law, regulation, or rule requires the Division or the Grantee to give affected persons written notice of a security breach arising out of the Grantee's performance under this contract, the Grantee shall bear the cost of the notice.

### **Oversight**

**Access to Persons and Records:** The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

**Record Retention:** See schedule for record retention for instructions on disposal timeframes. (<https://www.ncdhhs.gov/about/administrative-offices/office-controller/records-retention>)

### **Warranties and Certifications**

**Date and Time Warranty:** The Grantee warrants that the product(s) and service(s) furnished pursuant to this contract ("product" includes, without limitation, any piece of equipment, hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interfaces therein) that perform any date and/or time data recognition function, calculation, or sequencing will support a four digit year format and will provide accurate date/time data and leap year calculations. This warranty shall survive the termination or expiration of this contract.

**Certification Regarding Collection of Taxes:** G.S. 143-59.1 bars the Secretary of Administration from entering into contracts with Grantees that meet one of the conditions of G.S. 105-164.8(b) and yet refuse to collect use taxes on sales of tangible personal property to purchasers in North Carolina. The conditions include: (a) maintenance of a retail establishment or office; (b) presence of representatives in the State that solicit sales or transact business on behalf of the Grantee; and (c) systematic exploitation of the market by media-assisted,

media-facilitated, or media-solicited means. The Grantee certifies that it and all of its affiliates (if any) collect all required taxes.

### Miscellaneous

**Choice of Law:** The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Grantee, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

**UEI and SAM Registration:** 2 CFR Part 25 requires all non-Federal entities that apply for grants and cooperative agreements with federal funding to obtain a Unique Entity Identifier (UEI) number.

**NC SOS:** Entities doing business with the State of North Carolina must register with the North Carolina Secretary of State (NC SOS) in accordance with all current statutes, regulations and all other requirements.

**Validations:** Entities listed on the NC Suspension of Funding List (SOFL), NC Debarred List, Iran Divestment List, or the Federal Exclusion List are ineligible to contract with the State until resolution of issues are validated. The Suspension of Funding List is posted at: [NC OSBM Suspension of Funding](#).

**Amendment:** This Contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Agency and the Grantee.

**Automatic Time-Limited Extension:** If the Grantee is a Non-Profit Grantee, as defined under (11a), this Contract may be automatically extended for up to three months if a formal extension or renewal contract has not been executed within ten (10) business days of the subsequent extension or renewal contract start date, and all of the following requirements are met:

- (vi) the Non-Profit Grantee is receiving recurring funding or nonrecurring state and/or federal funding for each year of a fiscal biennium.
- (vii) the Non-Profit Grantee has certified, on a form provided by the Department, that it has received an unqualified audit report on its most recent

financial audit when an audit is required by 09 NCAC 03M.0202;

- (viii) the Non-Profit Grantee has a track record of timely performance and financial reporting to the Department as required by the contract.
- (ix) the Non-Profit Grantee, as identified by the Department, does not have a record of noncompliance with the requirements of any funding source used to support the contract and has not received an undisputed notice of such a noncompliance from the Department. Noncompliance in this section is subject to the provisions around noncompliance found in Section 2.(a) of [HB 791, Session Law 2022-52](#), and:
- (x) the Non-Profit Grantee has been in operation for at least five (5) years.

In the event of an automatic extension pursuant to this provision, the terms of the contract in existence at the end of the prior contract period shall govern the relationship and obligations of the party until the end of the three-month period or the execution of a formal extension or renewal of the contract, whichever occurs first. Refer to [HB 791, Session Law 2022-52, Section 2](#) for further guidance.

**Severability:** In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

**Headings:** The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

**Gender and Number:** Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.

**Time of the Essence:** Time is of the essence in the performance of this contract.

**Key Personnel:** The Grantee shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the Division. The term "key personnel" includes any and all persons identified by as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

**Care of Property:** The Grantee agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the

Division for loss of, or damage to, such property. At the termination of this contract, the Grantee shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

**Travel Expenses:** Reimbursement to the Grantee for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules. International travel shall not be reimbursed under this contract.

**Sales/Use Tax Refunds:** If eligible, the Grantee and all subgrantees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

**Advertising:** The Grantee shall not use the award of this contract as a part of any news release or commercial advertising.

## GENERAL TERMS AND CONDITIONS

## Definitions

Links to definitions are provided to meet the intent and requirements of NC Administrative Rules 09 NCAC Admin Code 03M.0102, and the North Carolina General Statutes unless otherwise noted. If the rule or statute that is the source of the definition is changed by the adopting authority, the change shall be incorporated herein.

## Relationships of the Parties

**Independent Contractor:** The Grantee is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Grantee represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Division.

**Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the contract. The Division shall not be obligated to pay for any work performed by any unapproved subcontractors or subgrantees. The Grantee shall be responsible for the performance of all its subcontractors/subgrantees.

**Assignment:** No assignment of the Grantee's obligations or the Grantee's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may: (a) Forward the Grantee's payment check directly to any person or entity designated by the Grantee; or (b) Include any person or entity designated by Grantee as a joint payee on the Grantee's payment check. In no event shall such approval and action obligate the State to anyone other than the Grantee and the Grantee shall remain responsible for fulfillment of all contract obligations.

**Beneficiaries:** Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Grantee. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Grantee that any such person or entity, other than the Division or the Grantee, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

## Indirect Cost

**Indirect Cost:** The Grantee shall use their federally negotiated indirect cost rate in the recovery of administrative expenses associated with the funded contract. If the Grantee does not have a federally negotiated indirect cost rate from a federal cognizant agency, or has a previously negotiated but expired rate, the Grantee may be allowed to take the de minimis rate or 15% of modified total direct costs. In lieu of the above, the Grantee may negotiate an indirect cost rate with the DHHS Office of the Controller, Cost Analysis/Federal Financial Reporting/Administrative Section.

If a statutory cap on administrative expense has been set by the state or federal program, either in legislation or regulation, then the cap will take precedence. (CFR Title 2, Ch.II, Part 200.414, SL2022-52, 2.(c)).

## Services

**Service Standards:** During the term of the Agreement the Grantee and its employees, agents, and subgrantees shall provide high quality professional services consistent with the standards of practice in the geographic area and with all applicable federal, state, and local laws, rules and regulations, all applicable ethical standards, and standards established by applicable accrediting agencies. The Grantee and its employees, agents and subgrantees shall exercise independent professional judgment in the treatment and care of patients.

**Records:** During the term of this Agreement, the Grantee and its employees, agents, and subgrantees shall maintain complete and professionally adequate medical records consistent with the standards of practice in the geographic area and their respective health care professions. The Grantee and its employees, agents, and subgrantees shall prepare all reports, notes, forms, claims and correspondence that are necessary and appropriate to their professional services.

**Licenses:** During the term of this Agreement, the Grantee and its employees, agents, and subgrantees shall hold, current facility and occupational licenses and certifications at the levels required to practice their professions and to provide the contracted services in the State of North Carolina.

## Indemnity and Insurance

**Indemnification:** The Grantee agrees to indemnify and hold harmless the Division, the State of North Carolina, and any of their officers, agents and employees, from any claims of third parties arising out of any act or omission of the Grantee or its employees, agents or subgrantees in connection with the performance of this contract.

**Insurance:** (a) During the term of the contract, the Grantee shall provide, at its sole cost and expense, commercial insurance of such types and with such terms

and limits as may be reasonably associated with the contract. At a minimum, the Grantee shall provide and maintain the following coverage and limits:

- (10)**Professional Liability Insurance:** The Grantee shall ensure that the Grantee and its employees, agents, and subgrantees each maintain through an insurance company or through a program of self-funded insurance, professional liability insurance with limits of at least \$1,000,000 per occurrence and at least \$3,000,000 in the aggregate.
- (11)**Worker's Compensation Insurance:** The Grantee shall provide and maintain worker's compensation insurance, as required by the laws of the states in which its employees work, covering all of the Grantee's employees who are engaged in any work under the contract.
- (12)**Employer's Liability Insurance:** The Grantee shall provide employer's liability insurance, with minimum limits of \$500,000.00, covering all of the Grantee's employees who are engaged in any work under the contract.
- (13)**Commercial General Liability Insurance:** The Grantee shall provide commercial general liability insurance on a comprehensive broad form on an occurrence basis with a minimum combined single limit of \$1,000,000.00 for each occurrence.
- (14)**Automobile Liability Insurance:** The Grantee shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage; a limit of \$500,000.00 for uninsured/under insured motorist coverage; and a limit of \$2,000.00 for medical payment coverage. The Grantee shall provide this insurance for all automobiles that are:
  - (A) owned by the Grantee and used in the performance of this contract;
  - (B) hired by the Grantee and used in the performance of this contract; and
  - (C) owned by Grantee's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.The Grantee is not required to provide and maintain automobile liability insurance on any vehicle – owned, hired, or non-owned -- unless the vehicle is used in the performance of this contract.
- (k) The insurance coverage minimums specified in subparagraph (a) are exclusive of defense costs.
- (l) The Grantee understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Grantee's liability or obligations under this contract.
- (m) The Grantee may obtain a waiver of any one or more of the requirements in subparagraph (a) by

demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.

- (n) The Grantee may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.
- (o) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Grantee and is of the essence of this contract.
- (p) The Grantee shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.
- (q) The Grantee shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.
- (r) The Grantee shall require its subgrantees to comply with the requirements of this paragraph.
- (s) The Grantee shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance, if requested, to the Division before the Grantee begins work under this contract.

#### **Default and Termination**

**Termination Without Cause:** The Division may terminate this contract without cause by giving **30 days written notice** to the Grantee. In that event, all finished or unfinished deliverable items prepared by the Grantee under this contract shall, at the option of the Division, become its property and the Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made.

**Termination for Cause:** If, through any cause, the Grantee shall fail to fulfill its obligations under this contract in a timely and proper manner, the Division shall have the right to terminate this contract by giving written notice to the Grantee and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Grantee under this contract shall, at the option of the Division, become its property and the Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Grantee shall not be relieved of liability to the Division for damages sustained by the Division by virtue of the Grantee's breach of this agreement, and the Division may withhold any payment due the Grantee for

the purpose of setoff until such time as the exact amount of damages due the Division from such breach can be determined. In case of default by the Grantee, without limiting any other remedies for breach available to it, the Division may procure the contract services from other sources and hold the Grantee responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Grantee shall be an act of default under this contract.

**Waiver of Default:** Waiver by the Division of any default or breach in compliance with the terms of this contract by the Grantee shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Grantee and attached to the contract.

**Availability of Funds:** The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division.

**Force Majeure:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**Survival of Promises:** All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

### Compliance with Applicable Laws

**Compliance with Laws:** The Grantee shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

**Equal Employment Opportunity:** The Grantee shall comply with all federal and State laws relating to equal employment opportunity.

**Health Insurance Portability and Accountability Act (HIPAA):** The Grantee agrees that, if the Division determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements and will execute

such agreements and practices as the Division may require to ensure compliance.

### Confidentiality

**Confidentiality:** Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Grantee under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Division. The parties specifically agree that all medical and other patient records shall be treated as confidential so as to comply with all state and federal laws and regulations regarding confidentiality of such records. These confidentiality obligations shall not terminate with the termination of this Agreement.

**Data Security:** The Grantee shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.

**Duty to Report:** The Grantee shall report a suspected or confirmed security breach to the Division's Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Grantee shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered. During the performance of this contract, the Grantee is to notify the Division contract administrator of any contact by the federal Office for Civil Rights (OCR) received by the Grantee.

**Cost Borne by Grantee:** If any applicable federal, state, or local law, regulation, or rule requires the Division or the Grantee to give affected persons written notice of a security breach arising out of the Grantee's performance under this contract, the Grantee shall bear the cost of the notice.

### Oversight

**Access to Persons and Records:** The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

**Record Retention:** See schedule for record retention for instructions on disposal timeframes. (<https://www.ncdhhs.gov/about/administrative-offices/office-controller/records-retention>)

**Government Review:** To the extent required by applicable law and pursuant to written requests from any

appropriate governmental authority, Grantee and the Division shall make available to such appropriate governmental authority this Agreement and any books, records, documents and other records that are necessary to certify the nature and extent of the services provided and the cost claimed for services rendered pursuant to this Agreement or so as to otherwise comply with the requirements of any lawful agreement between the party and such governmental authority.

### Miscellaneous

**Choice of Law:** The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Grantee, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

**UEI and SAM Registration:** 2 CFR Part 25 requires all non-Federal entities that apply for grants and cooperative agreements with federal funding to obtain a Unique Entity Identifier (UEI) number.

**NC SOS:** Entities doing business with the State of North Carolina must register with the North Carolina Secretary of State (NC SOS) in accordance with all current statutes, regulations and all other requirements.

**Validations:** Entities listed on the NC Suspension of Funding List (SOFL), NC Debarred List, Iran Divestment List, or the Federal Exclusion List are ineligible to contract with the State until resolution of issues are validated. The Suspension of Funding List is posted at: [NC OSBM Suspension of Funding](#).

**Amendment:** This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Agency and the Grantee.

**Automatic Time-Limited Extension:** If the Grantee is a Non-Profit Grantee, as defined under (11a), this Contract may be automatically extended for up to three months if a formal extension or renewal contract has not been executed within ten (10) business days of the subsequent extension or renewal contract start date, and all of the following requirements are met:

(xi) the Non-Profit Grantee is receiving recurring funding or nonrecurring state and/or federal funding for each year of a fiscal biennium.

- (xii) the Non-Profit Grantee has certified, on a form provided by the Department, that it has received an unqualified audit report on its most recent financial audit when an audit is required by 09 NCAC 03M.0202;
- (xiii) the Non-Profit Grantee has a track record of timely performance and financial reporting to the Department as required by the contract.
- (xiv) the Non-Profit Grantee, as identified by the Department, does not have a record of noncompliance with the requirements of any funding source used to support the contract and has not received an undisputed notice of such a noncompliance from the Department. Noncompliance in this section is subject to the provisions around noncompliance found in Section 2.(a) of [HB 791, Session Law 2022-52](#), and:
- (xv) the Non-Profit Grantee has been in operation for at least five (5) years.

In the event of an automatic extension pursuant to this provision, the terms of the contract in existence at the end of the prior contract period shall govern the relationship and obligations of the party until the end of the three-month period or the execution of a formal extension or renewal of the contract, whichever occurs first. Refer to [HB 791, Session Law 2022-52, Section 2](#) for further guidance.

**Severability:** In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

**Headings:** The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

**Gender and Number:** Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.

**Time of the Essence:** Time is of the essence in the performance of this contract.

**Key Personnel:** The Grantee shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the Division. The term "key personnel" includes any and all persons identified by as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

**Care of Property:** The Grantee agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the Division for loss of, or damage to, such property. At the termination of this contract, the Grantee shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

**Travel Expenses:** Reimbursement to the Grantee for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules.

International travel shall not be reimbursed under this contract.

**Sales/Use Tax Refunds:** If eligible, the Grantee and all subgrantees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

**Advertising:** The Grantee shall not use the award of this contract as a part of any news release or commercial advertising.



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### Definitions

Links to definitions are provided to meet the intent and requirements of NC Administrative Rules 09 NCAC Admin Code 03M.0102, and the North Carolina General Statutes unless otherwise noted. If the rule or statute that is the source of the definition is changed by the adopting authority, the change shall be incorporated herein.

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**Subcontracting:** The Grantee shall not subcontract any of the work contemplated under this contract without prior written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the contract. The Division shall not be obligated to pay for any work performed by any unapproved subcontractors or subgrantees. The Grantee shall be responsible for the performance of all its subcontractors/subgrantees.

**Assignment:** No assignment of the Grantee's obligations or the Grantee's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may:

- (a) Forward the Grantee's payment check(s) directly to any person or entity designated by the Grantee, or
- (b) Include any person or entity designated by Grantee as a joint payee on the Grantee's payment check(s).

In no event shall such approval and action obligate the State to anyone other than the Grantee and the Grantee shall remain responsible for fulfillment of all contract obligations.

**Beneficiaries:** Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Grantee. Nothing contained in this document

shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Grantee that any such person or entity, other than the Division or the Grantee, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

### Services

**Service Standards:** The Grantee shall provide high quality services consistent with the standard of practice in the geographic area and with all applicable federal, state, and local laws, rules and regulations, all applicable ethical standards, and standards established by applicable accrediting agencies. The Grantee shall exercise independent professional judgment in the treatment and care of patients.

**Records:** The Grantee shall maintain complete and professionally adequate medical records consistent with the standards of practice and the profession. The Grantee shall prepare all reports, notes, forms, claims and correspondence that are necessary and appropriate to the Grantee's provision of professional services.

**Licenses:** During the term of this Agreement, the Grantee shall hold, a current license at the level required to practice the Grantee's profession and provide the contracted services in the State of North Carolina.

### Indemnity and Insurance

**Indemnification:** The Division, the State of North Carolina and Grantee agree to each be solely responsible for their own acts or omissions in the performance of each of their individual duties hereunder, and shall be financially and legally responsible for all liabilities, costs, damages, expenses and attorney fees resulting from, or attributable to any and all of their individual acts or omissions to the extent allowable by law.

- (j) **Insurance:** During the term of the contract, the Grantee shall provide, at its sole cost and expense, commercial insurance of such types and with such terms and limits as may be reasonably associated with the contract. At a minimum, the Grantee shall provide and maintain the following coverage and limits:

(15) **Professional Liability:** The Grantee shall provide and maintain, through an insurance company or through a program of self-funded insurance, professional liability insurance for itself with limits of at least \$1,000,000 per occurrence and at least \$3,000,000 in the aggregate.

(16) **Worker's Compensation Insurance:** The Grantee shall provide and maintain worker's

compensation insurance, as required by the laws of the states in which its employees work, covering all of the Grantee's employees who are engaged in any work under the contract.

(17)**Employer's Liability Insurance:** The Grantee shall provide employer's liability insurance, with minimum limits of \$500,000.00, covering all of the Grantee's employees who are engaged in any work under the contract.

(18)**Commercial General Liability Insurance or A Program of Self Insurance:** The Grantee shall provide commercial general liability insurance on a comprehensive broad form on an occurrence basis with a minimum combined single limit of \$1,000,000.00 for each occurrence.

(19)**Automobile Liability Insurance or A Program of Self Insurance:** The Grantee shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage. The Grantee shall provide this insurance for all automobiles that are:

- (A) owned by the Grantee and used in the performance of this contract;
- (B) hired by the Grantee and used in the performance of this contract; and
- (C) owned by Grantee's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.

The Grantee is not required to provide and maintain automobile liability insurance on any vehicle – owned, hired, or non-owned -- unless the vehicle is used in the performance of this contract.

- (k) The insurance coverage minimums specified in subparagraph (a) are exclusive of defense costs.
- (l) The Grantee understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Grantee's liability or obligations under this contract.
- (m) The Grantee may obtain a waiver of any one or more of the requirements in subparagraph (a) by demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.

(n) The Grantee may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The Division shall be the sole judge of whether such a waiver should be granted.

(o) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Grantee and is of the essence of this contract.

(p) With the exception of programs of self insurance, the Grantee shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.

(q) The Grantee shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.

(r) The Grantee shall require its subcontractors/grantees to comply with the requirements of this paragraph.

(s) The Grantee shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance, if requested, to the Division before the Grantee begins work under this contract.

#### **Default and Termination**

**Termination Without Cause:** The Division may terminate this contract without cause by giving 30 days written notice to the Grantee.

**Termination for Cause:** If, through any cause, the Grantee shall fail to fulfill its obligations under this contract in a timely and proper manner, the Division shall have the right to terminate this contract by giving written notice to the Grantee and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Grantee under this contract shall, at the option of the Division, become its property and the Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Grantee shall not be relieved of liability to the Division for damages sustained by the Division by virtue of the Grantee's breach of this agreement, and the Division may withhold any payment due the Grantee for the purpose of setoff until such time as the exact amount of damages due the Division from such breach can be determined. In case of default by the Grantee, without limiting any other remedies for breach available to it, the Division may procure the contract services from other sources and hold the Grantee responsible for any excess cost occasioned thereby. The filing of a petition for

bankruptcy by the Grantee shall be an act of default under this contract.

**Waiver of Default:** Waiver by the Division of any default or breach in compliance with the terms of this contract by the Grantee shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the Department and the Grantee and attached to the contract.

**Availability of Funds:** The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division.

**Force Majeure:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**Survival of Promises:** All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

**Patents And Inventions:** Any invention or discovery made or conceived in the performance of this contract (hereinafter called "*INVENTION*"), and any patent granted on such *INVENTION* shall be jointly or individually owned by Grantee and/or Division in accordance with the following criteria:

- (a) Title to any *INVENTION* made or conceived jointly by employees of both Grantee and Division in the performance of this contract (hereinafter called "*JOINT INVENTION*") vests jointly in Division and Grantee.
- (b) Title to any *INVENTION* made or conceived solely by employees or students of either Grantee or Division in the performance of this Contract vests in the party whose employees or students made or conceived the *INVENTION* or discovery.

**Publication:** Grantee and its investigators are free to publish papers dealing with the results of the research project, if any, sponsored under this Contract. However, Division must be given thirty (30 days) to review such papers prior to any publication thereof. The Grantee shall acknowledge the Division's funding role in all publications.

**Similar Research:** Nothing in this Contract may be construed to limit the freedom of the Grantee or of its researchers who are participants under the Contract from

engaging in similar research made under grants, contracts, or agreements with parties other than the Division.

**Federal Intellectual Property Bankruptcy Protection Act:** The Parties agree that the Division shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto.

### Compliance with Applicable Laws

**Compliance with Laws:** In the performance of this Agreement, the Grantee shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

**Equal Employment Opportunity:** The Grantee shall comply with all federal and State laws relating to equal employment opportunity. In the performance of this Agreement.

**Health Insurance Portability and Accountability Act (HIPAA):** The Grantee agrees that, if the Division determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements in the performance of this Agreement and will execute such agreements and practices as the Division may require to ensure compliance.

**Executive Order # 24:** By Executive Order 24, issued by Governor Perdue on October 1, 2009, and N.C. G.S. § 133-32, it is unlawful for any vendor or grantee (i.e. architect, bidder, grantee, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor/grantees, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, Transportation, and the Office of the Governor). This prohibition covers those vendors and grantees who:

- (1) have a contract with a governmental agency; or
- (2) have performed under such a contract within the past year; or
- (3) anticipate bidding on such a contract in the future.

For additional information regarding the specific requirements and exemptions, vendors and grantees are

encouraged to review Governor Perdue's October 1, 2009 Executive Order 24 and G.S. Sec. 133-32.

To find Governor Perdue's October 1, 2009 Executive Order 24:

- Go to <http://www.governor.state.nc.us/>;
- Click on "Newsroom";
- Click on "Executive Orders and Proclamations";
- Scroll down and click on the words "click here" in the sentence that states, "To view previous Executive Orders, please click here;" and
- Scroll down and click on "EO 24: Gift Ban."

### Confidentiality

**Confidentiality:** Any medical records, personnel information or other items exempt from the NC Public Records Act or otherwise protected by law from disclosure given to the Grantee under this contract shall be kept confidential and not divulged or made available to any individual or organization without the prior written approval of the Division. Subject to the foregoing provisions, Grantee reserves the right to use the results of all services provided under this contract for its teaching, research and publication purposes, provided such use is otherwise permitted by applicable law.

### Oversight

**Access to Persons and Records:** The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

**Record Retention:** See schedule for record retention for instructions on disposal timeframes. (<https://www.ncdhhs.gov/about/administrative-offices/office-controller/records-retention>)

**Government Review:** To the extent required by applicable law and pursuant to written requests from any appropriate governmental authority, Grantee and the Division shall make available to such appropriate governmental authority this Agreement and any books, records, documents and other records that are necessary to certify the nature and extent of the services provided and the cost claimed for services rendered pursuant to this Agreement or so as to otherwise comply with the requirements of any lawful agreement between the party and such governmental authority.

### Miscellaneous

**Choice of Law:** The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Grantee, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

**Amendment:** This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Division and the Grantee. The Purchase and Contract Divisions of the NC Department of Administration and the NC Department of Health and Human Services shall give prior approval to any amendment to a contract awarded through those offices.

**Automatic Time-Limited Extension:** If the Grantee is a Non-Profit Grantee, as defined under (11a), this Contract may be automatically extended for up to three months if a formal extension or renewal contract has not been executed within ten (10) business days of the subsequent extension or renewal contract start date, and all of the following requirements are met:

- (xvi) the Non-Profit Grantee is receiving recurring funding or nonrecurring state and/or federal funding for each year of a fiscal biennium.
- (xvii) the Non-Profit Grantee has certified, on a form provided by the Department, that it has received an unqualified audit report on its most recent financial audit when an audit is required by 09 NCAC 03M.0202;
- (xviii) the Non-Profit Grantee has a track record of timely performance and financial reporting to the Department as required by the contract.
- (xix) the Non-Profit Grantee, as identified by the Department, does not have a record of noncompliance with the requirements of any funding source used to support the contract and has not received an undisputed notice of such a noncompliance from the Department. Noncompliance in this section is subject to the provisions around noncompliance found in Section 2.(a) of HB 791, Session Law 2022-52 and:
- (xx) the Non-Profit Grantee has been in operation for at least five (5) years.

In the event of an automatic extension pursuant to this provision, the terms of the contract in existence at the end of the prior contract period shall govern the relationship and obligations of the party until the end of the three-month period or the execution of a formal extension or

renewal of the contract, whichever occurs first. Refer to HB 791, Session Law 2022-52, Section 2 for further guidance.

**Severability:** In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

**Headings:** The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

**Time of the Essence:** Time is of the essence in the performance of this contract.

**Key Personnel:** The Grantee shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the Division. The term "key personnel" includes any and all persons identified by as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

**Care of Property:** The Grantee agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the Division for loss of, or damage to, such property. At the termination of this contract, the Grantee shall contact the Division for instructions as to the disposition of such property and shall comply with these instructions.

**Travel Expenses:** Reimbursement to the Grantee for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates published in the applicable State rules. International travel shall not be reimbursed under this contract.

**Sales/Use Tax Refunds:** If eligible, the Grantee and all subcontractors/grantees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

**Advertising:** The Grantee shall not use the award of this contract as a part of any news release or commercial advertising.

**North Carolina Department of Health and Human  
Services/ University of North Carolina**

**Master Agreement**

This Master Agreement is between the North Carolina Department of Health and Human Services (DHHS) and The University of North Carolina (UNC) (hereinafter “the parties”).

WHEREAS, the parties desire to facilitate and simplify the process of contracting with each other to carry out Federal and state funded assistance programs, and

WHEREAS, the parties agree to be bound by the terms and conditions contained in this Master Agreement, and

WHEREAS, it is anticipated that the parties will execute Contracts between one another under this Master Agreement, and

NOW THEREFORE, the parties mutually agree as follows:

I. Definitions

A. Awarding Agency: The Awarding Agency is (a) with respect to a Federal or State grant, cooperative agreement, or cost reimbursement contract, the Federal or State agency, and (b) with respect to a Subcontract, the party that awarded the Subcontract. The Awarding Agency will be clearly cited in funding announcements, Requests for Proposals and at the Contract level (i.e. federal or non-federal).

B. Contract: A Contract consists of a “DHHS/UNC Contract Form,” the appendices attached thereto, and those terms and conditions incorporated by reference.

C. Grantee: An entity that expends Federal or State Awards received from a Pass-through Entity to carry out a Federal or State program but does not include an individual that is a beneficiary of such a program. For the purposes of this Master Agreement, a Grantee is a constituent institution of UNC, the UNC System Office or an affiliated entity of the UNC System Office.

D. Deliverable: A Deliverable is a tangible or intangible item that is a product of Research and Development, Instruction or Other Sponsored Activities and shall be limited to those items specifically defined in the Scope of Work of each Contract.

E. Division “The”: An administrative unit of DHHS, which issues a Contract to a Grantee under this Master Agreement.

F. Instruction: The teaching and training activities of a Grantee entity. Except for “research training” as provided and included in Research and Development activities, this category includes teaching and training activities whether offered for credits toward a degree or certificate or on a non-credit basis, and whether offered through regular academic departments or separate divisions, such as a summer school or an extension division such as continuing education. Included in this function is “sponsored instruction” and training as established by grant, contract or cooperative agreement.

G. Other Sponsored Activities: Activities that involve work other than defined in paragraphs F and G above, sponsored by an entity external to the Grantee.

H. Research and Development (R&D): Research and Development is all research activities, both basic and applied, and all development activities that are performed by a Grantee entity. Research is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. The term Research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other Research and Development activities and where such activities are not included in the Instruction function. Development is the systematic use of knowledge and understanding gained from Research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

## II. Modification of the Master Agreement

The parties agree that the Master Agreement shall govern the parties' performance under any Contract. This Master Agreement may be modified only by written amendments by and between DHHS and UNC, which have been duly executed by the authorized representative of each of the parties. A Contract may not supersede the terms and conditions of the Master Agreement unless the Contract expressly specifies the term or condition of the Master Agreement that is to be superseded.

## III. Relationships of the Parties

Independent Grantee: The Grantee is and shall be deemed to be an independent grantee in the performance of a Contract under this Agreement and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Grantee represents that it has, or shall secure at its own expense, all personnel required in performing the services under a Contract under this Agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Division.

#### IV. Subcontracting

The Contractor shall not subcontract any of the work contemplated under a Contract under this Agreement without prior written approval from the Division. Any approved Subcontracts shall be subject to all conditions of this Agreement. Only the Subcontractors specified in the Contractor's proposal are to be considered approved upon award of a Contract. The Division shall not be obligated to pay for any work performed by any unapproved Subcontractor. The Contractor shall be responsible for the performance of all of its Subcontractors.

#### V. Assignment

No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted.

#### VI. Beneficiaries

Except as herein specifically provided otherwise, a Contract under this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Division and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Division and Contractor that any such person or entity, other than the Division or the Contractor, receiving services or benefits under this Contract shall be deemed an incidental beneficiary only.

#### VII. Performance and Termination

A Contract under this Agreement shall terminate without action by either party on the date specified in the Contract.

#### VIII. Early Termination

A. Either party may terminate a Contract under this Agreement without cause by giving thirty (30) days written notice to the other. In that event, all finished or unfinished deliverables prepared by the Contractor shall, at the option of the Division, become the Division's property and the Division shall reimburse the Contractor for all costs properly incurred, including non-cancelable commitments, through the termination date of the Contract.

B. Either party may terminate a Contract under this Agreement in the event the other party fails to fulfill its obligations under the Contract in a timely and proper manner, provided the breaching party is given written notice describing the breach. If the breaching party fails to cure the breach within 30 days of receipt of such written



notice, the Contract may be terminated upon written notice of an effective date of termination no less than 30 days from the date of this final notice. In the event the Division is the failing party, all finished or unfinished deliverables prepared by the Contractor shall, at the option of the Division, become the Division's property and the Division shall reimburse the Contractor for all costs properly incurred through the termination date of the Contract, including non-cancellable commitments, with the following exceptions:

(i) After termination for cause, if Contractor's failure in performance has caused the Division to incur additional costs to rectify the failure, the Division may offset those additional costs against reimbursements to the Contractor for the Contract that is being terminated.

(ii) After termination for cause, if the Division's failure in performance has caused the Contractor to incur additional costs to rectify the failure, the Division will reimburse the Contractor for those additional costs.

#### IX. Claims

In the event of claims against either party by a third party arising out of a Contract under this Agreement, the party whose actions gave rise to the claim shall be responsible for the defense of the claims and any ultimate liability; therefore, provided, however, that neither party may waive the other's claims of sovereign immunity or similar defenses. The parties shall consult over the appropriate handling of such claims, and, in the event, they cannot agree, shall seek the guidance of the Office of the Attorney General.

#### X. Waiver of Default

Waiver by either party of any default or breach in compliance with the terms of a Contract under this Master Agreement by the Contractor shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of that Contract unless incorporated into a written modification signed by authorized representatives of the parties and attached to that Contract.

#### XI. Availability of Funds

The parties to a Contract under this Master Agreement agree and understand that the payment of the sums specified in a Contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Division. The parties further agree that in the event that funds obligated to a Contract under this Master Agreement should not become available prior to the performance of obligations by the Contractor, the result shall be a Termination Without Cause.

#### XII. Force Majeure

Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

#### XIII. Final Accounting

If a Contract under this Master Agreement is terminated, either with or without cause, the Contractor shall complete a final accounting report to the Division within 60 days of the Contract termination date.

#### XIV. Survival of Promises

All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the Master Agreement expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

XV. Intellectual Property Rights

A. The Contractor shall acknowledge the Division's funding role in all publications. Subject to Contractor's right to publish the results of Research and Development, and except as otherwise required by law, the Contractor at all times agrees to protect confidentiality of all records and information in accordance with the provisions of this Master Agreement.

B. Any Deliverables resulting from a Contract under this Master Agreement shall be the property of the Division, and the Contractor shall not distribute or reproduce for profit or allow others to profit from the Deliverables of a Contract under this Agreement. A Deliverable is a tangible item that is a product of the Research and Development or Other Sponsored Activity such as a report, a guidebook, a training manual or a data set. Deliverable items to be provided by the Contractor to the Division pursuant to a Contract under this Master Agreement shall be limited to those items that are defined in the Scope of Work to a Contract. The Contractor retains a perpetual, royalty-free, non-exclusive, paid-up license to use, publish and distribute Deliverables created through a contract under this Master Agreement for its instructional and research purposes or North Carolina State Government Purposes.

C. Ownership of copyright in any and all copyrighted works, and ownership of all other results, including but not limited to data, resulting from Research and Development and Other Sponsored Activities on a Contract under this Master Agreement, other than Deliverables, shall belong to the Contractor. For such non-deliverables, the Contractor hereby grants to the Division a perpetual, royalty-free, non-exclusive, paid-up license to use, publish and distribute results of work on a Contract under this Agreement for North Carolina State Government purposes only.

D. Patents and Inventions: Any invention or discovery made or conceived in the performance of a Contract under this Agreement (hereinafter called "*INVENTION*"), and any patent granted on such *INVENTION* shall be jointly or individually owned by the Contractor and/or Division in accordance with the following criteria:

(i) Title to any *INVENTION* made or conceived jointly by employees of both the Contractor and the Division in the performance on a Contract under this Agreement (hereinafter called "*JOINT INVENTION*") vests jointly in the Contractor and the Division.

(ii) Title to any *INVENTION* made or conceived solely by employees or students of either the Contractor or the Division in the performance of a Contract under this Agreement vests in the party whose employees or students made or conceived the *INVENTION* or discovery.

E. Publication: The Contractor and its investigators are free to publish papers dealing with the results of Research and Development projects, if any, sponsored by a Contract under this Agreement. However, the Division must be given thirty (30) days to review such papers prior to any publication thereof, to protect its proprietary, confidential or patentable information. The Division must respond to the Contractor within thirty (30) days of receipt of notification of proposed publication or public disclosure.

F. Similar Research: Nothing in a Contract under this Agreement may be construed to limit the freedom of the Contractor or of its researchers who are participants under the Contract from engaging in similar research made under grants, contracts, or agreements with parties other than the Division.

G. Federal Intellectual Property Bankruptcy Protection Act: The Parties agree that the Division shall be entitled to all applicable rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto.

## XVI. Compliance with Applicable Laws

A. Compliance with Laws: Both parties agree to comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of their business, including those of federal, state, and local agencies having jurisdiction and/or authority.

B. Health Insurance Portability and Accountability Act (HIPAA): If the Division determines that some or all of the Contractor's activities or records within the scope of a Contract under this Agreement are subject to the Health Insurance Portability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it may give the Contractor written notice identifying the activities or records so affected. The Contractor agrees that if it receives such notice, the Contractor will either execute such agreements and practices as either party may require to ensure compliance with HIPAA, or that either party may give notice of Termination Without Cause.

C. Representations and Certifications: The Contractor, by signature affixed to a Contract issued under this Agreement, certifies its compliance with the applicable regulatory requirements listed below. The Contractor agrees to immediately report to the Division any changes in its compliance status. Nothing in this Agreement shall act to limit statutory or common law exclusions or exceptions, or expand statutory common law liabilities, which would otherwise apply to a North Carolina State entity or UNC. If additional regulatory requirements or modification to citations are necessary, they will be listed in a Contract. The Contractor must flow these requirements down to any lower tier subcontractors. (CFR refers to the Code of Federal Regulations, USC refers to United States Code and E.O. refers to executive order.)

(i) Equal Employment Opportunity: The Contractor shall comply with all federal and State laws relating to equal employment opportunity.

(ii) Non-Discrimination: The contractor shall comply with all federal and State laws relating to Non-Discrimination and (i) the requirements of any other nondiscrimination statutes which may apply to this Master Agreement and a Contract made under this Agreement.

(iii) Protection of Human Subjects: Any activity under a Contract under this Agreement that involves the use of human subjects is governed by applicable policies and federal regulations. The Contractor agrees that any human research protocol conducted under a Contract under this Agreement must be reviewed and approved by a designated Institutional Review Board (IRB) and certifies that this IRB is in full compliance with all relevant federal regulations. The Contractor

further certifies that it has in place all required programs or procedures for education and training in the protection of human subject research and that the Contractor's investigator and other individuals (or any substitute investigators) have completed any required education and training.

(iv) Promoting Objectivity in Research: Pursuant to the requirements of 45 CFR Part 50, Subpart F and 45 CFR Part 94 for Health and Human Services awards, the Contractor will rely on its Institutional Policy for Financial Conflict of Interest (FCOI).

(v) Federal Debt: Pursuant to the requirement of OMB Circular A-129, the Contractor is not delinquent on any Federal debt.

(vi) Debarment and Suspension: Pursuant to Executive Order 12549 and its implementing rule, the Contractor presently is not debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency (45 CFR 74 and 76).

(vii) Lobbying: Pursuant to 31 USC 1352 and 18 USC 1913, no federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a Contract issued under this Agreement. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection a Contract under this Agreement, the Contractor must complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(viii) Drug Free Workplace: Pursuant to sections 5151-5160 of the Drug-Free Workplace Act of 1988, Public Law 100-690, Title V, Subtitle D. 41 USC 701 et seq, 7 CFR Part 3017, the Contractor will provide a drug-free workplace.

(ix) Environmental Tobacco Smoke: Pursuant to Public Law 103-227, Part C- Environmental Tobacco Smoke, the Contractor prohibits smoking in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee.

(x) Family Educational Rights and Privacy Act (FERPA): The parties shall comply with the applicable requirements of 20 U.S.C. s. 1232g.

(xi) Verification of Work Authorization: The Contractor complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.

D. UNC is keenly interested in maximizing the certifications included in the master agreement to eliminate the need for just in time certifications at the Task Order level.

## XVII. Federal Flow-through Funds

Where applicable, the Parties agree to give the highest order of precedence to the Federal regulations applicable to them when a Division acts as a Pass-through Entity on Federal Assistance funds for any work being accomplished by awarding a Contract under this Agreement. The parties recognize that the administration of Federal Assistance funds is governed by the Code of Federal Regulations, 2 CFR Part 200 or other applicable Federal codes of regulation.

## XVIII. Confidentiality

To the extent permitted by law, in the event that during the performance of a Contract under this Agreement, the Contractor must acquire or is given medical records, personnel information or other items exempt from the NC Public Records Act or otherwise protected by law from disclosure, the Contractor agrees to keep such records confidential and not divulge or make available to any individual or organization without the prior written approval of the Division. Subject to and as limited by the terms of this Master Agreement, the Contractor reserves the right to use the results of all Research and Development, Instruction and Other Sponsored Activities provided on a Contract under this Agreement for its teaching, research and publication purposes, provided such use is otherwise permitted by applicable law.

In the event that during the performance of a Contract under this agreement, the Contractor must acquire or is given access to confidential data that is owned by NC DHHS, the following shall apply provided that the contractor shall follow more stringent requirements should Federal or State law applicable to a contract under this agreement require such:

- A. **Data Security:** The Contractor shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations and rules.
- B. **Duty to Report:** The Contractor shall report a suspected or confirmed data security breach, relevant to the Contract, to the Division's Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Contractor shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered. During the performance of this Contract, the Contractor is to notify the Division Contract Administrator of any pending investigations or reviews of the contractor by any federal Office of Civil Rights (OCR) if relevant to the Contract. Any federal or state Office of Civil Rights investigations or reviews relevant to a Contract issued under this Master Agreement must be reported to each of the Parties' Contract Administrator.
- C. **Cost Borne by the Contractor:** If any applicable federal, state or local law, regulation or rule requires the Contractor to give written notice of a security breach to affected persons, the Contractor shall bear the cost of the notice.

XIX. Oversight

A. Access to Persons and Records: To the extent required by law, the Contractor agrees to provide the North Carolina State Auditor, the Division, the Department of Health and Human Services, all applicable federal agencies, or their agents, with access to relevant persons and records for the purpose of monitoring, evaluating, or auditing Contracts under this Agreement and the Contractor's performance, and for all other purposes required by General Statute section 143-49 (9), or its successors, regulation or policy.

B. Record Retention: The Department of Health and Human Services' basic records retention policy requires all records related to Contracts under this Master Agreement to be retained for a minimum of five years following submission of the final financial report, if applicable, or five years following the submission of a revised financial report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving a Contract under this Master Agreement has been started before expiration of the five year retention period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five year period, whichever is later. Unless Federal law requires a longer retention period, Contractor may destroy files in accordance with this retention requirement and its own records retention schedule unless it has received notice of an extended retention period.

XX. Fiscal Matters

The allowability of costs on a Contract under this Agreement will be determined in accordance with the Code of Federal Regulations, 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and any other applicable laws and regulations. Costs for which prior approval is required will be contingent upon the Division receiving like approval of those specific costs from the applicable funding source. In the event the Contractor is in noncompliance with applicable audit requirements of the funding source, the Division may withhold payment of invoices pending resolution of the noncompliance issue.

The Contractor assumes the responsibility for reimbursement to the Division a sum of money equivalent to the amount of any expenditures disallowed should the Awarding Agency or other authorized representative rule through audit exception or other formal review that the expenditures from funds allocated to the Contractor for direct and/or indirect costs were not made in compliance with stated terms and conditions of a Contract under this Agreement.

A. Limitation of Funds

The parties acknowledge that a Contract under this Agreement may be incrementally funded to essentially reflect the funding actions of the Awarding Agency.

B. The Division is not obligated to reimburse the Contractor for costs incurred in excess of the not-to-exceed amount specified in a Contract.

C. Provided that the contractor has fulfilled their contract obligations, the Contractor is not obligated to continue performance of a Contract under this Agreement or otherwise incur costs in excess of the not-to-exceed amount of a Contract.

D. The Division assumes the responsibility for giving the Contractor written notice when there is a change in the availability of funding for a contract under this agreement.

## XXI. Payment Provisions

A. Invoices must be presented with the same level of cost detail that was in the approved budget with the Scope of Work in the Contract, including the major cost categories such as salaries/wages, fringe benefits, equipment, travel, materials and supplies, contractual services, fixed charges, other direct costs and F&A. Supporting documentation will not be required with invoices; however, Contractor will maintain supporting documentation in accordance with 2 C.F.R. Part 200 (Audit Requirements) as required under this Agreement. The Division shall make all reasonable efforts to accept or reject Contractor's invoice within thirty (30) days after presentation. The Division shall make all reasonable efforts to reimburse Contractor for effort performed under a Task Order as described on the Contract within a timely manner. The Division shall have no obligation for payments based on expenditure reports submitted later than 60 days after termination or expiration of the contract period.

B. For Contracts established on a State fiscal year basis, upon execution of this contract, the Contractor shall submit to the Division Contract Administrator, a monthly reimbursement request for services rendered the previous month and, upon approval by the Division, receive payment in a timely manner. The Division must make all payments in a timely manner. If this contract is terminated prior to the original end date, the Contractor is required to submit a final reimbursement report and to return any unearned funds to the Division within 60 days of the contract termination date or no later than June 18. All payments are contingent upon fund availability.

## XXII. Miscellaneous

A. Choice of Law: The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties to this Agreement, are governed by the laws of North Carolina. The Division, by signing this Agreement, and Contractor, by signing Contracts issued under this Agreement, agree and submit, solely for matters concerning this Agreement and Contracts issued under this Agreement, to the exclusive jurisdiction of the courts of North Carolina and agree, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this Agreement and all Contracts and transactions relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding

in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

B. Amendment: Contracts under this Agreement may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Division and the Contractor. The Purchase and Contract Divisions of the NC Department of Administration and the NC Department of Health and Human Services shall give prior approval to any amendment to a Contract awarded under this Agreement through those offices.

C. Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of a Contract under this Agreement violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of a Contract under this Agreement shall remain in full force and effect.

D. Headings: The Section and Paragraph headings in this Agreement are not material parts of the Agreement and should not be used to construe the meaning thereof.

E. Key Personnel: The Contractor shall not replace any of the key personnel assigned to the performance of a Contract under this Agreement without the prior written approval of the Division. The term "key personnel" will be applicable to specific persons identified by name in the Contractor's proposal and any other persons subsequently identified as key personnel by the written agreement of the parties.

F. Care of Property: The Contractor agrees that it shall be responsible for the proper custody and care of any property consigned by the Division to the Contractor for use in connection with the performance of a Contract under this Agreement. At the termination of a Contract under this Agreement, the Contractor shall contact the Division for instructions as to the disposition of such consigned property and shall comply with these instructions, which are to be reasonable.

G. Travel Expenses: If applicable reimbursement to the Contractor for travel mileage, meals, lodging and other travel expenses incurred in the performance of a Contract under this Agreement shall not exceed the rates published in the applicable State or Federal rules.

H. Sales/Use Tax Refunds: If eligible, the Contractor and all subawardees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of a Contract under this Agreement, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before submission of any invoice.

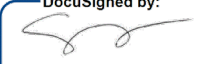


XXIII. Advertising

Neither party to this Agreement or any Contract awarded under this Agreement shall use the award of a Contract under this Agreement as a part of any news release or commercial advertising without the express written consent of the other party. Notwithstanding the above, nothing in this paragraph is meant to restrict the Grantee's reporting or other duties and obligations under North Carolina or Federal Law.

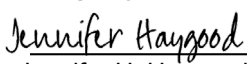
IN WITNESS WHEREOF, the parties have caused this Master Agreement to be executed as of the date first written by their duly authorized representative.

THE NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES


DocuSigned by:  
  
\_\_\_\_\_  
Susan Gale Perry, Chief Deputy Secretary

Chief Deputy Secretary      05/15/23 | 2:47 PM EDT  
\_\_\_\_\_  
Date

THE UNIVERSITY OF NORTH CAROLINA

DocuSigned by:  
  
\_\_\_\_\_  
Jennifer Haygood, Chief Finance Officer

5/18/2023  
\_\_\_\_\_  
Date

Approved as to form:   
\_\_\_\_\_  
UNC Legal Affairs

## **APPENDIX B**

### **CERTIFICATIONS AND ASSURANCES**

1. Conflict of Interest (choose one)
  - a. Conflict of Interest Verification (Annual) Acknowledgement and Policy
2. State Grant Certification – No Overdue Tax Debts
3. IRS Tax Exemption Letter (if not already electronically on file) and IRS Tax Exemption Verification Form (Annual)
4. State Certifications

## Conflict of Interest Verification (Annual)

We, the undersigned entity, hereby testify that our Organization's Conflict of Interest Acknowledgement and Policy adopted by the Board of Directors/Trustees or other governing body, is on file with the North Carolina Department of Health and Human Services (DHHS). If any changes are made to the Conflict of Interest Policy, we will submit a new Conflict of Interest Acknowledgment and Policy to the Department (DHHS).

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Name of Organization

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Signature of Grantee's Authorized Agent	Date
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Printed Name of Grantee's Authorized Agent	Title
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Signature of Witness	Date
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Printed Name of Witness	Title
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## **Conflict of Interest Policy Example**

The Board of Directors/Trustees or other governing persons, officers, employees or agents are to avoid any conflict of interest, even the appearance of a conflict of interest. The Organization's Board of Directors/Trustees or other governing body, officers, staff and agents are obligated to always act in the best interest of the organization. This obligation requires that any Board member or other governing person, officer, employee or agent, in the performance of Organization duties, seek only the furtherance of the Organization mission. At all times, Board members or other governing persons, officers, employees or agents, are prohibited from using their job title, the Organization's name or property, for private profit or benefit.

A. The Board members or other governing persons, officers, employees, or agents of the Organization should neither solicit nor accept gratuities, favors, or anything of monetary value from current or potential grantees/vendors, persons receiving benefits from the Organization or persons who may benefit from the actions of any Board member or other governing person, officer, employee or agent. This is not intended to preclude bona-fide Organization fund raising-activities.

B. A Board or other governing body member may, with the approval of Board or other governing body, receive honoraria for lectures and other such activities while not acting in any official capacity for the Organization. Officers may, with the approval of the Board or other governing body, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. Employees may, with the prior written approval of their supervisor, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. If a Board or other governing body member, officer, employee or agent is acting in any official capacity, honoraria received in connection with activities relating to the Organization are to be paid to the Organization.

C. No Board member or other governing person, officer, employee, or agent of the Organization shall participate in the selection, award, or administration of a purchase or contract with a vendor where, to his knowledge, any of the following has a financial interest in that purchase or contract:

1. The Board member or other governing person, officer, employee, or agent;
2. Any member of their family by whole or half blood, step or personal relationship or relative-in-law;
3. An organization in which any of the above is an officer, director, or employee;
4. A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning prospective employment or contracts.

D. **Duty to Disclosure** -- Any conflict of interest, potential conflict of interest, or the appearance of a conflict of interest is to be reported to the Board or other governing body or one's supervisor immediately.

E. **Board Action** -- When a conflict of interest is relevant to a matter requiring action by the Board of Directors/Trustees or other governing body, the Board member or other governing person, officer, employee, or agent (person(s)) must disclose the existence of the conflict of interest and be given the opportunity to disclose all material facts to the Board and members of committees with governing board delegated powers considering the possible conflict of interest. After disclosure of all material facts, and after any discussion with the person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

In addition, the person(s) shall not participate in the final deliberation or decision regarding the matter under consideration and shall leave the meeting during the discussion of and vote of the Board of Directors/Trustees or other governing body.

F. **Violations of the Conflicts of Interest Policy** -- If the Board of Directors/Trustees or other governing body has reasonable cause to believe a member, officer, employee or agent has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board of Directors/Trustees or other governing body determines the member, officer, employee or agent has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

G. **Record of Conflict** -- The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement that presents a possible conflict of interest, the content of the discussion, including any alternatives to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Approved by:

##GranteeName##

Name of Organization

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Signature of Organization Official

---

Date

## State Grant Certification – No Overdue Tax Debts

Grantee/Contractor should complete this certification for all state funds received. Entity should enter appropriate data in the yellow highlighted areas. The completed and signed form should be provided to the state agency funding the grant to be attached to the contract for the grant funds. A copy of this form, along with the completed contract, should be kept by the funding agency and available for review by the Office of State Budget and Management.

*Note: If you have a contract that extends more than one state fiscal year, you will need to obtain an updated certification for each year of the contract.*

### Entity's Letterhead

**[Date of Certification (mmddyyyy)]**

To: State Agency Head and Chief Fiscal Officer

**Certification:**

We certify that the [insert organization's name] does not have any overdue tax debts, as defined by N.C.G.S. 105-243.1, at the federal, State, or local level. We further understand that any person who makes a false statement in violation of N.C.G.S. 143C-6-23(c) is guilty of a criminal offense punishable as provided by N.C.G.S.) 143C-10-1b.

**Sworn Statement:**

[Name of Board Chair] and [Name of Second Authorizing Official] being duly sworn, say that we are the Board Chair and [Title of the Second Authorizing Official], respectively, of [insert name of organization] of [City] in the State of [Name of State]; and that the foregoing certification is true, accurate and complete to the best of our knowledge and was made and subscribed by us. We also acknowledge and understand that any misuse of State funds will be reported to the appropriate authorities for further action.

\_\_\_\_\_  
Board Chair

[Title of Second Authorizing Official]

Sworn to and subscribed before me on the day of the date of said certification.

\_\_\_\_\_  
(Notary Signature and Seal)

My Commission Expires: \_\_\_\_\_

If there are any questions, please contact the state agency that provided your grant. If needed, you may contact the North Carolina Office of State Budget and Management:  
NCGrants@osbm.nc.gov-(919)807-4795

<sup>1</sup> G.S. 105-243.1 defines: Overdue tax debt. – Any part of a tax debt that remains unpaid 90 days or more after the notice of final assessment was mailed to the taxpayer. The term does not include a tax debt, however, if the taxpayer entered into an installment agreement for the tax debt under G.S. 105-237 within 90 days after the notice of final assessment was mailed and has not failed to make any payments due under the installment agreement.”

**IRS Tax Exemption Verification Form (Annual)**

I, \_\_\_\_\_, hereby state that I am \_\_\_\_\_ of  
(Printed Name) (Title)

\_\_\_\_\_ (“Organization”), and by that authority duly given  
(Legal Name of Organization)

and as the act and deed of the Organization, state that the Organization’s status continues to be designated as 501(c)(3) pursuant to U.S. Internal Revenue Code, and the documentation on file with the North Carolina Department of Health and Human Services is current and accurate.

I understand that the penalty for perjury is a Class F Felony in North Carolina pursuant to N.C. Gen. Stat. § 14-209, and that other state laws, including N.C. Gen. Stat. § 143C-10-1, and federal laws may also apply for making perjured and/or false statements or misrepresentations.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this the  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.  
(Day of Month) ( Month) (Year)

\_\_\_\_\_  
(Signature)

# State Certifications

## Grantee/Contractor Certifications Required by North Carolina Law

**Instructions:** The person who signs this document should read the text of the statutes and Executive Order listed below and consult with counsel and other knowledgeable persons before signing. The text of each North Carolina General Statutes and of the Executive Order can be found online at:

- Article 2 of Chapter 64: [http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/ByArticle/Chapter\\_64/Article\\_2.pdf](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_64/Article_2.pdf)
- G.S. 133-32: <http://www.ncga.state.nc.us/gascripts/statutes/statutelookup.pl?statute=133-32>
- Executive Order No. 24 (Perdue, Gov., Oct. 1, 2009): <https://ethics.nc.gov/media/242/download?attachment>
- G.S. 105-164.8(b): [http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_105/GS\\_105-164.8.pdf](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.8.pdf)
- G.S. 143-48.5: [http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_143/GS\\_143-48.5.html](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_143/GS_143-48.5.html)
- G.S. 143-59.1: [http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_143/GS\\_143-59.1.pdf](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.1.pdf)
- G.S. 143-59.2: [http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_143/GS\\_143-59.2.pdf](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.2.pdf)
- G.S. 143-133.3: [http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_143/GS\\_143-133.3.html](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_143/GS_143-133.3.html)
- G.S. 143B-139.6C: [http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_143B/GS\\_143B-139.6C.pdf](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143B/GS_143B-139.6C.pdf)

### Certifications

- (1) Pursuant to G.S. 133-32 and Executive Order No. 24 (Perdue, Gov., Oct. 1, 2009), the undersigned hereby certifies that the Grantee/Contractor named below is in compliance with, and has not violated, the provisions of either said statute or Executive Order.
- (2) Pursuant to G.S. 143-48.5 and G.S. 143-133.3, the undersigned hereby certifies that the Grantee/Contractor named below, and the Grantee/Contractor's subcontractors, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system." E-Verify System Link: [www.uscis.gov](http://www.uscis.gov)
- (3) Pursuant to G.S. 143-59.1(b), the undersigned hereby certifies that the Grantee/Contractor named below is not an "ineligible Grantee/Contractor" as set forth in G.S. 143-59.1(a) because:
  - (a) Neither the Grantee/Contractor nor any of its affiliates has refused to collect the use tax levied under Article 5 of Chapter 105 of the General Statutes on its sales delivered to North Carolina when the sales met one or more of the conditions of G.S. 105-164.8(b); **and**
  - (b) [check **one** of the following boxes]
    - Neither the Grantee/Contractor nor any of its affiliates has incorporated or reincorporated in a "tax haven country" as set forth in G.S. 143-59.1(c)(2) after December 31, 2001; **or**
    - The Grantee/Contractor or one of its affiliates **has** incorporated or reincorporated in a "tax haven country"
- (4) Pursuant to G.S. 143-59.1(c)(2) after December 31, 2001 **but** the United States is not the principal market for the public trading of the stock of the corporation incorporated in the tax haven country.
- (4) Pursuant to G.S. 143-59.2(b), the undersigned hereby certifies that none of the Grantee/Contractor's officers, directors, or owners (if the Grantee/Contractor is an unincorporated business entity) has been convicted of any violation of Chapter 78A of the General Statutes or the Securities Act of 1933 or the Securities Exchange Act of 1934 within 10 years immediately prior to the date of the bid solicitation.
- (5) Pursuant to G.S. 143B-139.6C, the undersigned hereby certifies that the Grantee/Contractor will not use a former employee, as defined by G.S. 143B-139.6C(d)(2), of the North Carolina Department of Health and Human Services in the administration of a contract with the Department in violation of G.S. 143B-139.6C and that a violation of that statute shall void the Agreement.
- (6) The undersigned hereby certifies further that:
  - (a) He or she is a duly authorized representative of the Grantee/Contractor named below;
  - (b) He or she is authorized to make, and does hereby make, the foregoing certifications on behalf of the Grantee/Contractor; and
  - (c) He or she understands that any person who knowingly submits a false certification in response to the requirements of G.S. 143-59.1 and -59.2 shall be guilty of a Class I felony.

Grantee/Contractor's  
Name: \_\_\_\_\_

Grantee/Contractor's  
Authorized Agent: \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_ Title \_\_\_\_\_

Witness: \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_ Title \_\_\_\_\_



The witness should be present when the Grantee/Contractor's Authorized Agent signs this certification and should sign and date this document immediately thereafter.