

NOTICE OF REQUEST FOR PROPOSALS

STATE OF ARIZONA
DEPARTMENT OF ECONOMIC SECURITY (DES)
CHILD CARE ADMINISTRATION (CCA)

Solicitation Number: E-CCA-00040

Solicitation Due Date: May 10, 2000 Arizona Time: 3:00p.m.

Submittal Location: DES Child Care Administration, Site Code 801A
3rd Floor, Southwest Corner
1789 West Jefferson
Phoenix, Arizona 85007

Pre-Offer Conference: Monday, April 17, 2000 at 1:00 p.m.
Arizona Industrial Commission
First Floor Auditorium
800 West Washington
Phoenix, Arizona 85004

In accordance with Arizona Revised Statutes (A.R.S.) §41-2534, which is incorporated herein by reference, competitive sealed proposals for services specified will be accepted by the Arizona Department of Economic Security at the above specified location, until the date and time cited. Offers received by the correct date and time will be opened and the name of each offeror will be publicly read.

Offers must be in the actual possession of the Arizona Department of Economic Security as specified above in the "Submittal Location" on or prior to the exact date and time indicated. Late offers will not be considered, except as provided in the Arizona Procurement Code.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the solicitation contact person listed below. Requests should be made as early as possible to allow time to arrange the accommodation.

Service(s): Child Day Care (For Children With Special Needs)

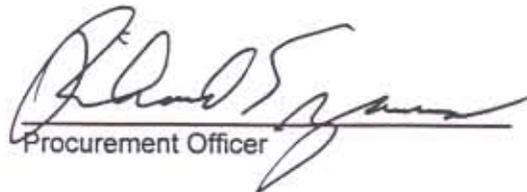
Contract Type: Rate

Contract Term: 1 year with option to renew for multiple periods. All contracts are expected to begin approximately July 1, 2000.

Diane Fears
Solicitation Contact Person

(602) 542-4248
Phone

March 30, 2000
Date


Procurement Officer

AN EQUAL EMPLOYMENT OPPORTUNITY AGENCY

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SCOPE OF WORK

The contractor may propose to provide the following service within any of the Service Delivery Areas (SDAs) listed below. The proposal must clearly indicate the specific SDA(s) to be served by the contractor.

<u>SERVICE(S)</u>	<u>SERVICE DELIVERY AREA (SDA)</u>
CHILD DAY CARE (FOR CHILDREN WITH SPECIAL NEEDS)	STATEWIDE, OR ANY PORTION THEREOF

Background Information:

The Department of Economic Security (DES) Child Care Administration (CCA), as authorized under A.R.S. §46-802, A.R.S. §41-1954A.1.b., and A.R.S. §41-1054A.6., is providing funds for child care services to children with special needs whose families meet DES/CCA eligibility requirements.

For the purpose of this contract, the following terms are defined as follows:

Child with Special Needs means a child who needs increased supervision, modified equipment, modified activities, or a modified facility, within a child care setting, due to any physical, mental sensory, or emotional delay, or medical condition, and includes a child with a disability.

Child with a Disability means a child who: has a physical or mental impairment that substantially limits one or more major life activities; has a record of having a physical or mental impairment that substantially limits one or more of the child's major life activities; or who is regarded as having such an impairment, whether the child has the impairment or not. The terms used in this definition shall have the same meaning as applied under the Americans with Disabilities Act (ADA), and its implementing regulation at 28 CFR §35.104 (July 1, 1993), which is incorporated herein by reference and is on file with the Secretary of State's Office.

Eligible Family means:

- A. A family who has been determined programmatically and financially eligible by the DES Child Care Administration (CCA); or
- B. A family who has been determined eligible by the CCA based upon the following criteria:
 - 1. The child is a foster child whose foster parents meet programmatic criteria; or
 - 2. The child's family has an open case with DES Child Protective Services (CPS).

SERVICE SPECIFICATION

CHILD DAY CARE (FOR CHILDREN WITH SPECIAL NEEDS)

I. SERVICE DESCRIPTION:

This service provides supervised planned care, guidance, recreation and socialization during a portion of a 24-hour day. For purposes of this contract, this service will be provided to children with special needs from families that meet Department of Economic Security (DES) Child Care Administration (CCA) requirements.

II. STANDARDS/LICENSURE REQUIREMENTS:

A. The Contractor shall comply with the following standards and/or licensure requirements, and/or the Contractor shall ensure that providers delivering services under this contract shall comply with the following standards and/or licensure requirements:

1. Applicable child care licensing regulations. This includes providers who are licensed as child care centers by the Arizona Department of Health Services, Office of Child Care Licensure (DHS), certified by DHS as child care group homes or are certified by the Arizona Department of Economic Security (DES) Child Care Administration (CCA) as family child care homes;
2. Child care providers on Indian reservations must comply with tribal regulations; or
3. Child care providers on military bases must comply with military regulations.

B. The Contractor shall ensure that the program complies with the following basic elements:

1. Child care services are provided on a full day/full year basis;
2. Child care program currently has a Registration Agreement with DES and agrees to advise all enrolled families of the availability of DES child care subsidy programs;
3. The child care provided consists of services that enhance the educational, social, cultural, emotional and recreational development of all children in care;
4. The school age child care provided (if applicable) delivers care when school is not available and is not intended to extend or replace the regular academic program.

III. SERVICE GOALS:

To provide child care to DES eligible children with special needs in order to support the well-being and economic independence of eligible families.

**IV. SERVICE OBJECTIVES AND
V. SERVICE TASKS:**

Objective 1 – To provide quality, developmentally appropriate child care to DES eligible children.

Tasks:

- 1.1 Provide quality child care, utilizing a specific educational philosophy or educational model.
- 1.2 Utilize a curriculum/lesson plan that reflects the educational philosophy of the program.
- 1.3 Utilize programmatic components (i.e. daily schedule, availability of materials/supplies, usage of indoor/outdoor equipment) within your child care environment which reflect the educational philosophy of the program.
- 1.4 Utilize policies and procedures which reflect the educational philosophy of the program.

Objective 2 – To provide enhanced child care services to DES eligible children with special needs that integrate them into the existing developmentally appropriate child care environment.

Tasks:

- 2.1 Demonstrate a knowledge of the current demand for special needs child care and number of children who either currently receive such care or who could benefit by such care, within the boundaries of the identified SDA.
- 2.2 Develop and implement a plan that integrates children with special needs into existing developmentally appropriate child care environments.
- 2.3 Provide or utilize special accommodations to assist children with special needs while in care. These special accommodations should include but not be limited to: transportation to other services received, therapy and other treatments, staff training, specialized equipment and staff child ratios needed to provide appropriate care to the children.
- 2.4 Develop enhanced rates that are appropriate for the special accommodations to be provided or utilized to assist children with special needs while in care (Task 2.3).
- 2.5 Develop and implement and review an Individual Education Plan (IEP) and an Individual Family Service Plan (IFSP) for each child receiving the enhanced rate. Each plan should correspond to the increased level of service to be provided.
- 2.6 Develop and implement a plan to:
 - a. Identify, assess and prioritize children with special needs for utilization of the enhanced rate, and
 - b. Identify, assess and prioritize utilization of the proposed special needs slots based upon the parent's (s')/guardian's(s') CCA eligibility.
- 2.7 Submit quarterly report summaries as required by the Department (Exhibit 10.4).

Objective 3 – To pursue or maintain national child care accreditation through at least one of the organizations listed in Exhibit 10.3 Accreditation/Credential Information.

Tasks:

- 3.1 Identify the type of national child care accreditation that will be pursued or maintained.
- 3.2 Evaluate any past attempts to receive accreditation and the level of success in receiving a credential.
- 3.3 Develop a timeline for completion or continuation of the accreditation process.

Objective 4 – To develop/maintain community collaborative efforts to support/and or enhance the child care program.

Tasks:

- 4.1 Maintain all collaborative partnerships which are currently in place. Types of partnerships should include but not be limited to the following:
 - a. Public
 - b. Private
 - c. Business
- 4.2 Develop a plan to create additional public, private and/or business partnerships which will continue to support the program.



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1 Definition of Terms. As used in these Instructions, the terms listed below are defined as follows:

- 1.1 "Attachment" means any item the Solicitation requires an Offeror to submit as part of the Offer.
- 1.2 "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments; and any terms applied by law.
- 1.3 "Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4 "Days" means calendar days unless otherwise specified.
- 1.5 "Exhibit" means any item labelled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.6 "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.7 "Offer" means bid, proposal or quotation.
- 1.8 "Offeror" means a vendor who responds to a Solicitation.
- 1.9 "Procurement Officer" means the person duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract or his or her designee.
- 1.10 "Solicitation" means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
- 1.11 "Solicitation Amendment" means a written document that is authorized by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
- 1.12 "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.13 "State" means the State of Arizona and Department or Agency of the State that executes the Contract.

2 Inquiries

- 2.1 **Duty to Examine.** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing, and check its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be a grounds for withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
- 2.2 **Solicitation Contact Person.** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation, shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
- 2.3 **Submission of Inquiries.** The Procurement Officer or the person identified in the Solicitation as the contact for inquiries may require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time.
- 2.4 **Timeliness.** Any inquiry shall be submitted as soon as possible and at least seven days before the Offer due date and time. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
- 2.5 **No Right to Rely on Verbal Responses.** Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.
- 2.6 **Solicitation Amendments.** The Solicitation shall only be modified by a Solicitation Amendment.
- 2.7 **Pre-Offer Conference.** If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. An Offeror should raise any questions they may have about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to



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questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.

- 2.8 **Persons With Disabilities.** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

3 Offer Preparation

- 3.1 **Forms: No Facsimile or Telegraphic Offers.** An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation will be legible and contain the same information requested on the forms. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected.
- 3.2 **Typed or Ink; Corrections.** The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
- 3.3 **Evidence of Intent to be Bound.** The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
- 3.4 **Exceptions to Terms and Conditions.** All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically referenced by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
 - 3.4.1 **Invitation for Bids:** An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
 - 3.4.2 **Request for Proposals:** All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria as stated in the Solicitation or result in rejection of the Offer.
- 3.5 **Subcontracts.** Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- 3.6 **Cost of Offer Preparation.** The State will not reimburse any Offeror the cost of responding to a Solicitation.
- 3.7 **Solicitation Amendments.** Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.
- 3.8 **Federal Excise Tax.** The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.
- 3.9 **Provision of Tax Identification Numbers.** Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form and provide the tax rate and amount, if applicable, on the Price Sheet.



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- 3.10 **Identification of Taxes in Offer.** The State of Arizona is subject to all applicable state and local transaction privilege taxes. If Arizona resident Offerors do not indicate taxes as a separate item in the Offer, the State will conclude that the price(s) offered includes all applicable taxes.
- 3.11 **Disclosure.** If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
- 3.12 **Solicitation Order of Precedence.** In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
 - 3.12.1 Special Terms and Conditions;
 - 3.12.2 Uniform Terms and Conditions;
 - 3.12.3 Statement or Scope of Work;
 - 3.12.4 Specifications;
 - 3.12.5 Attachments;
 - 3.12.6 Exhibits;
 - 3.12.7 Special Instructions to Offerors;
 - 3.12.8 Uniform Instructions to Offerors.
- 3.13 **Delivery.** Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination(s).

4 Submission of Offer

- 4.1 **Sealed Envelope or Package.** Each Offer shall be submitted to the submittal location identified in this Solicitation, in a sealed envelope or package that identifies its contents as an Offer and the Solicitation number to which it responds. The appropriate Solicitation number shall be plainly marked on the outside of the envelope or package.
- 4.2 **Offer Amendment or Withdrawal.** An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- 4.3 **Public Record.** Under applicable law, all Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall stamp as confidential that information and submit a statement with its Offer detailing the reasons that information should not be disclosed. The State shall make a determination on whether the stamped information is confidential pursuant to the Arizona Procurement Code.
- 4.4 **Non-collusion, Employment, and Services.** By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
 - 4.4.1 It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and



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4.4.2 It does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

5 Evaluation

- 5.1 **Unit Price Prevails.** Where applicable, in the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- 5.2 **Taxes.** All applicable taxes stated in the Offer will be considered by the State when determining the lowest bid or evaluating proposals; except when an Offeror is located outside of Arizona and is not subject to a transaction privilege or use tax of a political subdivision of this State. At all times, payment of taxes and the determination of applicable taxes and rates are the sole responsibility of the Contractor.
- 5.3 **Late Offers.** An Offer submitted after the exact Offer due date and time shall be rejected.
- 5.4 **Disqualification.** The Offer of an Offeror who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall be rejected.
- 5.5 **Offer Acceptance Period.** An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be ninety (90). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for ninety (90) days from the Best and Final Offer due date.
- 5.6 **Payment.** Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 5.7 **Waiver and Rejection Rights.** Notwithstanding any other provision of the Solicitation, the State reserves the right to:
- 5.7.1 Waive any minor informality;
 - 5.7.2 Reject any and all Offers or portions thereof; or
 - 5.7.3 Cancel a Solicitation.

6 Award

- 6.1 **Number or Types of Awards.** Where applicable, the State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, whichever is deemed most advantageous to the State. If the Procurement Officer determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" Offers shall be rejected.
- 6.2 **Contract Inception.** An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- 6.3 **Effective Date.** The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.
- 7 **Protests.** A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of a Solicitation shall be received by the



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Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

- 7.1 The name, address and telephone number of the protester;
 - 7.2 The signature of the protester or its representative;
 - 7.3 Identification of the purchasing agency and the Solicitation or Contract number;
 - 7.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
 - 7.5 The form of relief requested.
- 8 **Comments Welcome.** The State Procurement Office periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to: Jerry Brink, State Procurement Administrator, State Procurement Office, 15 South 15th Avenue, Suite 103, Phoenix, Arizona, 85007.

DEPARTMENT OF ECONOMIC SECURITY

SPECIAL INSTRUCTIONS TO OFFERORS

- 1.0 EVALUATION CRITERIA: Evaluation criteria are listed in descending order of importance. The award will be made to the responsible offeror whose offer is determined to be the most advantageous to the State, based on the following criteria:
- 1.1 Service Methodology;
 - 1.2 Experience and Expertise; and
 - 1.3 Cost/Price.
- 2.0 DEFINITIONS:
- 2.1 *Shall, Must:* Indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of an offer.
 - 2.2 *Should:* Indicates something that is recommended but not mandatory. If the offeror fails to provide recommended information, the State may, at its sole option, ask the offeror to provide the information or evaluate the offer without the information.
 - 2.3 *May:* Indicates something that is not mandatory but permissible.
- 3.0 OFFER ACCEPTANCE PERIOD (120 DAYS): In order to allow for an adequate evaluation, the Department requires an offer in response to this solicitation to be valid and irrevocable for 120 days after the opening time and date.
- 4.0 DISCUSSIONS/NEGOTIATIONS: In accordance with A.R.S. §41-2534, during the offer evaluations, discussions may be conducted with offeror(s) who submit offers determined to be reasonably susceptible of being selected for award. A request to participate in discussions does not assure a contract award.
- 5.0 BEST AND FINAL OFFER: Upon completion of discussions, the Department will notify each offeror who participated in discussions, of the date, time and place for receipt of the Best and Final Offers. All of the issues identified in the Department's request for Best and Final Offer should to be addressed within the Best and Final Offer. If the Best and Final Offer is not received or if it is withdrawn prior to this deadline, the immediately previous offer will be construed as the Best and Final Offer.
- 6.0 DEBRIEFING: After contract award the offeror is encouraged to ask questions in order to clarify or resolve any concern arising from this solicitation or contract award. The primary goal is to answer the offeror's questions and concerns at the lowest administrative level. Experience has demonstrated that most issues may be successfully resolved at this level and it is therefore preferable to more formal procedures. Questions should to be directed to the Department solicitation contact person. Any questions or inquiries discussed under this section are not considered a formal protest and anyone who contemplates filing a formal protest is advised to read the "Protests" section of the Uniform Instructions to Offerors and to act accordingly.
- 7.0 PROTESTS: In addition to the Uniform Instructions to Offerors "Protests" section the following is added: Any protests should be filed with the Procurement Officer, Department of Economic Security, Contracts Management Section - 805Z, 1789 W. Jefferson, 4th Floor South Central, Phoenix, Arizona 85007.

- 8.0 PREPARATION OF OFFER: One original and 4 copies of the offer should be submitted. Each section should be submitted in accordance with the directions. Failure to include the requested information may have a negative impact on the evaluation of the offer. All pages should be single sided and numbered. The offer should include the following in sequential order:
- Offer and Contract Award
 - Service Methodology
 - Experience and Expertise
 - Background Information
 - Facility Location Chart
 - Price Sheet
 - Itemized Service Budget
 - Agency Operations Spreadsheet
- 9.0 OFFER AND CONTRACT AWARD FORM: Complete and submit the "Offer" section of this form which is located in the ATTACHMENTS section within this solicitation. The "company name" that is entered on this form shall conform to the company's legal name as it appears on Form W-9 of the U.S. Department of the Treasury, Internal Revenue Service.
- 10.0 SERVICE METHODOLOGY:
- 10.1 The offeror should submit a separate Service Methodology for each service offered.
- 10.2 Submit a separate sheet(s) of paper entitled "Service Methodology" and specify the service title consistent with the Scope of Work.
- 10.3 The offeror should respond to each objective and task, in order, as it appears in the Scope of Work. Restate the objective and task and after each one, write a brief, clear and concise narrative that includes:
- 10.3.1 A description of how the task will be performed, e.g., specific actions, activities, methods and techniques, etc.
 - 10.3.2 Staff positions responsible for accomplishment of tasks. Use position titles consistently throughout the offer, e.g., job description, service methodology, and Itemized Service Budget (ISB).
 - 10.3.3 Frequency with which service tasks will be performed; these may include length of time, days and hours, etc.
- 11.0 EXPERIENCE AND EXPERTISE:
- 11.1 Submit a current staff organization chart, setting forth lines of authority, responsibility and communication in accordance with policies established by the governing body or management. If applicable, submit a current organization chart depicting the offeror's relationship to the organization of which the offeror is a subsidiary or an affiliate.
- 11.2 Submit a current written job description for each key position delivering the service. Each description should include the job title, minimum qualifications for education, training and experience, duties and responsibilities.
- 11.3 Submit resume(s) of key personnel providing any proposed service(s). The resume(s) should be limited to two pages and contain experience and qualifications pertinent to the proposed service(s).
- 11.4 Intentionally omitted.

- 11.5 Submit a list of three references. References should be verifiable and should be able to comment on the offeror's related experience. DES-CCA employees should not be used as references. The reference information should include at a minimum: company name, address, contact, phone number and dates of performance or work.
- 11.6 Submit any additional information which documents experience and expertise in past performances, especially those performances related to the requirements of this RFP that reflect on the offeror's ability to perform the required services.
- 12.0 **BACKGROUND INFORMATION:** Complete and submit the "Background Information" form located in the ATTACHMENTS section within this solicitation. Use the space provided on the form or attach additional pages with corresponding numbers. The Department may contact any source available to verify the information submitted. The Department may use this information and any additional information obtained from the source(s) in evaluating the offer.
- 13.0 **FACILITY LOCATION CHART:** Complete and submit the Facility Location Chart located in the ATTACHMENTS section in accordance with the following:
- 13.1 *Name of Facility, Address, Phone and Fax No. where Service(s) Will Be Provided:* List the name, address and phone and fax number of each facility, at which each service will be provided. Do not use Post Office boxes to indicate the facility location; use a street address. The names and addresses of any subcontractor(s) facility(ies) where services will be provided must also be included in this listing.
- 13.2 *Contract Service(s):* List each service offered. The service title(s) entered must be identical to the title found at the top of the applicable Scope of Work(s).
- 13.3 *Sub:* Designate subcontractor facilities by placing a check mark alongside the subcontractor facility name.
- 13.4 *Days and Hours of Operation:* List the days and hours during which each service is available at each facility location.
- 13.5 *Geographic Coverage:* List the geographic area in which the service(s) will be offered, e.g., Gila County, or Metropolitan Phoenix in the area bounded by Van Buren, 40th Street, Baseline and 19th Avenue, etc.
- 13.6 *Holidays:* List each holiday on which the facility will be closed. Indicate if an emergency answering service is available when the facility is closed.
- 14.0 **PRICE SHEET:** The Price Sheet should be completed/submitted in accordance with the following instructions: Offerors should complete the "Rate" and "Extension" sections of the price sheet for the service(s) being offered. Note that rates are requested for both full day care (6 hours or more) and for part day care (less than 6 hours). Offerors should also complete the sections indicated to identify the number of special needs child care slots proposed and the total number of service days available during a twelve (12) month period. The price sheet is located in the ATTACHMENTS section of this solicitation.
- 15.0 **ITEMIZED SERVICE BUDGET:** Offerors should submit a separate Itemized Service Budget (ISB) for 12 months beginning on July 1, 2000 for the service being proposed and follow the same format outlined in the Sample ISB in the EXHIBITS Section. **This ISB shall be used to validate the basis for the proposed rates on the Price Sheet and shall not be used for reimbursement of costs under contract.** The ISB projects costs by line item, to deliver the contract service, inclusive of all fund sources (Total Service Cost column) in addition to the proposed cost to DES (DES Cost column). The Total Service Cost column DOES INCLUDE the amount requested from DES under this solicitation, as well as amounts to be received from other sources to provide the proposed service. The DES Cost column INCLUDES ONLY the amount to be derived from DES under this solicitation. The ISB should provide a clear and logical basis for each cost allocated to the proposed service.

- 15.1 Include **all** of the budget categories listed on the following table (15.4.1 through 15.4.10) to prepare the ISB, and utilize the information contained therein to determine costs in the correct budget categories. For any budget category where no costs will be incurred, place a zero (0) in the Total Service Cost column. Figures should be rounded to the nearest whole dollar.
- 15.2 Include at the bottom of the ISB under the Total Service Cost all other revenue sources utilized to deliver the contract service. The total of all revenue sources, including the requested DES amount, should equal the Total Service Cost.
- 15.3 Intentionally omitted.
- 15.4 All budget category costs should be compatible with the cost principles set forth in 48 CFR, Chapter 1, Subchapter e, Part 31 (October 1, 1991) and any applicable OMB Circular(s). Offerors may obtain a copy of the CFR Cost Principles from the soliciting agency, and OMB Circulars are available at a public library or State Library, Research Division, Room 300, State Capitol, 1700 W. Washington, Phoenix, Arizona 85007. The following table of allowable costs is not all inclusive.

BUDGET CATEGORY	ALLOWABLE TYPES OF COSTS FOR ISB
15.4.1 Personnel	<p>Employees' salaries which relate directly to the proposed service.</p> <p>Direct Service time is defined as time spent performing actions necessary to accomplish the service requirements listed in the Scope of Work.</p> <p>Administrative time is defined as time spent in support of the service (e.g. accounting functions, clerical functions, etc.).</p>
15.4.2 Employee Related Expense (ERE)	<p>Fringe benefits to employees, including but not limited to: social security (FICA); unemployment insurance; worker's compensation; health and life insurance; and retirement (Apply only to that portion of employees' salaries directly related to proposed service.) An average percentage of total fringe benefits is acceptable on the ISB in this category only.</p>
15.4.3 Professional & Outside Services	<p>Professional and subcontractor services that relate directly to the proposed service, but are not provided by agency staff. Services may be provided by individuals or organizations.</p>
15.4.4 Travel	<p>Mileage reimbursement for staff-owned vehicles; maintenance and repair, operating expenses and depreciation for contractor-owned vehicles; subcontracted travel services; leased vehicles; government motor pool vehicles; public transportation; per diem</p>
15.4.5 Space	<p>Facilities costs such as: rent; depreciation or use allowance; building services and utilities such as: fuel; electricity; water; trash removal; maintenance (subcontracted services only); and sewer; insurance for buildings and contents.</p> <p>Minor renovation costs such as: repairs, alterations, partitioning, paneling, rejuvenation and redecorating which do not create a major modification of the building structure</p>
15.4.6 Equipment	<p>Purchase or rental/lease of equipment costing \$1,000 or more; depreciation; use allowance; Equipment maintenance and repair costs</p>
15.4.7 Materials & Supplies	<p>Equipment costing under \$1,000; consumable supplies such as: general office, kitchen, cleaning, laundry, hygiene, and program supplies;</p> <p>Postage; reproduction and subcontracted printing services;</p> <p>Food purchases for contractors who prepare meals;</p> <p>Actual costs of materials needed for the maintenance and repair of contractor's facilities such as: mops, brooms, paint, window glass, cleaning fluids</p>
15.4.8 Operating Services	<p>Telephone;</p> <p>Training for contractor's employees;</p> <p>Subscriptions for professional literature; membership dues; library purchases & fees;</p> <p>Professional activities such as: clubs, meetings;</p> <p>General liability insurance</p>
15.4.9 Indirect	<p>Costs benefitting more than one service and not easily directly chargeable to each service. Indirect cost pool(s) may be established to facilitate equitable distribution of indirect costs to services. If a cost pool is used, ATTACH a description of the service's expected share of costs in a cost allocation plan.</p> <p>If a federally approved Indirect Cost Rate is used, ATTACH the approval letter from the federal agency approving the rate.</p>

- 16.0 AGENCY OPERATIONS' SPREADSHEET: Complete and submit the Agency Operations' Spreadsheet located in the ATTACHMENT section of this solicitation in accordance with the following: Its purpose is to give an overview of the total agency budget so that the relationship of the contract services to the total operations of the agency can be seen. The Agency Operations' Spreadsheet portrays total revenues and projected expenditures, inclusive of all services and fund sources.
- 16.1 Item 1: Enter the date(s) for 12 months beginning on July 1, 2000.
- 16.2 Items 2 through 4: Self explanatory.
- 16.3 Item 5: In the blank column headings, enter the names of all the Services the offeror is anticipating it will provide during the period indicated in item number one of this section, whether or not the Department will be participating in the funding of the Service. Do not list revenue sources as Services.
- 16.4 Item 6: List the "Revenue Sources" (e.g., RSA, United Way) with each row representing a single, separate fund source. If more rows are required, use additional forms. Once the fund sources are identified, enter the dollar amount contributed by each fund source to each service.
- 16.5 Item 7: Add all "Service" items from a single "Revenue Source(s)" and place this dollar figure in the "Total" column (7) e.g., (6a) to (7a), (6b) to (7b), (6c) to (7c) etc.
- 16.6 Item 8: Add the "Service" column figures for all "Revenue Source(s)" and place this dollar figure in the "Total" column (8_) e.g., (5a) to (8a) etc.
- 16.7 Item 9: Add the (8_) Totals. Add the (7_) Totals. The two Totals should equal each other; if so, place this figure in the "Total Revenue" (9) column.
- 16.8 Item 10: Include your total expenses in block (10_) for each listed Service.
- 16.9 Item 11: Add the Expenses (10_) for all Services listed and place this dollar figure in the "Total Expenses" (11) column.

NOTE: If you need additional Service columns, use additional "Agency Operations' Spreadsheets" as continuation pages, adjusting the column heading accordingly, and using the "Total" column on the last page.

ATTACHMENTS

		<u>Total # of Pgs</u>
6.1	Offer and Contract Award	1
6.2	Background Information	1
6.3	Facility Location Chart	1
6.4	Price Sheet	1
6.5	Agency Operations' Spreadsheet	1

OFFER AND CONTRACT AWARD

ARIZONA DEPARTMENT
OF ECONOMIC SECURITY

SOLICITATION NO. _____

Submit the original of this form to the State.

OFFER

TO: THE STATE OF ARIZONA

The Undersigned hereby offers and agrees to provide the service(s) and/or material(s) in compliance with all terms, conditions, specifications/scope of work and amendments in the Solicitation. A signature below also certifies understanding of and compliance with the enclosed State of Arizona Uniform Terms and Conditions.

Federal Employer Identification:

No. _____

For clarification of this offer, contact:

Name: _____

Phone: _____

Fax: _____

Company Name

Signature of Person Authorized to Sign Offer

Mailing Address

Printed Name

City State Zip

Title

ACCEPTANCE OF OFFER AND CONTRACT AWARD (FOR STATE OF ARIZONA USE ONLY)

Your offer is hereby accepted.

The Contractor is now bound to provide the service(s) and/or material(s) listed in the attached award notice based upon the Solicitation, including all terms, conditions, specifications/scope of work, amendments, etc., and the Contractor's offer as accepted by the State.

This contract shall henceforth be referred to as Contract No. _____.

State of Arizona

Awarded this Date:

Procurement Officer

BACKGROUND INFORMATION

1. a. When was your organization formed? _____.

b. Indicate the type of entity submitting this proposal:

_____ Private Non-Profit Corporation. Is your organization qualified as a charitable organization under Section 501c(3) of the Internal Revenue Code? _____ Yes _____ No

_____ Corporation _____ Partnership _____ Sole Proprietorship

_____ Government _____ Individual Other _____

2. _____ Yes _____ No. **If yes, explain:** Have you or has your organization gone through a bankruptcy; are there lawsuits, judgments, tax deficiencies, or claims pending against you or your organization; are there judgments, tax deficiencies, or other debts owed to any state by you or your organization?

3. _____ Yes _____ No. **If yes, explain:** Have any licenses/certificates held by the entity applying or its officers, directors, partners or key managers ever been denied, revoked, suspended or provisionally issued within the past five years?

4. _____ Yes _____ No. **If yes, explain:** Have any contracts ever been terminated for default or non-performance?

5. _____ Yes _____ No. **If yes, explain:** Have you or any entity you have owned or managed been debarred from contracting?

Facility Location Chart

Contract services shall be delivered only at the facilities and locations specified below and shall be available during days and hours of operation indicated:

NAME OF FACILITY, ADDRESS, PHONE AND FAX NO. WHERE SERVICE(S) WILL BE PROVIDED	CONTRACT SERVICE(S)	S U B	DAYS & HOURS OF OPERATION	GEOGRAPHIC COVERAGE

The facility(s) listed above will not be open on those holidays marked below (*darken box for applicable holidays*):

- | | | | |
|---|---|---|--------------------------------|
| <input type="checkbox"/> New Year's Day | <input type="checkbox"/> Good Friday | <input type="checkbox"/> Yom Kippur | (Other Holidays) |
| <input type="checkbox"/> Martin Luther King Jr's Birthday | <input type="checkbox"/> Memorial Day | <input type="checkbox"/> Columbus Day | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Lincoln's Birthday | <input type="checkbox"/> Independence Day | <input type="checkbox"/> Veteran's Day | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Washington's Birthday | <input type="checkbox"/> Labor Day | <input type="checkbox"/> Thanksgiving Day | <input type="checkbox"/> _____ |
| <input type="checkbox"/> President's Day | <input type="checkbox"/> Rosh Hashanah | <input type="checkbox"/> Christmas Day | <input type="checkbox"/> _____ |

The holidays indicated above apply only to the administrative office; services are provided 24 hours.

PRICE SHEET

Service(s)	Unit	Rate	1st Extension	2nd Extension	3rd Extension	4th Extension
Child Day Care (For Children with Special Needs)	Full Day*	\$	\$	\$	\$	\$
Child Day Care (For Children with Special Needs)	Part Day**	\$	\$	\$	\$	\$

*Full-Day means that the full period of care, as indicated by sign-in and sign-out sheets, is six (6) or more hours (not necessarily consecutive hours).

**Part Day means that the full period of care, as indicated by sign-in and sign-out sheets, is less than six (6) hours (not necessarily consecutive hours).

- In the event that the State exercises its option(s) to extend the contract for additional periods pursuant to the applicable provisions of this document, the Offeror should provide the rates with either an increase or decrease for each extension period in the spaces provided. If the spaces are not completed, rates during extension periods shall be the same as during the preceding year. Further, the Offeror is advised that the State of Arizona does not automatically grant any increase at the time of extending the contract and that if an increase is requested, documentation of need must be provided at the time of extension. Any increase is subject to the availability of funds as determined by the Department.
- The Department will not pay for more than the maximum number of full-day CCA special needs child care slots indicated below and the contractor must control and monitor the usage of slots to ensure the number indicated is not exceeded. The Department will pay for up to two (2) Part Days in the place of one Full Day. Contracts awarded will be paid on a usage basis. The contractor will be required to report to the Department family co-payments for child care. The contractor shall deduct the required co-payment from the total monthly payment claimed from the Department. Monthly billing forms will be issued and mailed to contractors through the Arizona Child Care Automated Tracking System (AZCCATS).
 - Provide the Maximum Number of Full-Day CCA Special Needs Child Care Slots _____
 - Total Number of Full-Day Service Days Available (During a 12 Month Period) _____

(1) FOR PERIOD _____ THROUGH _____ (2) PAGE _____ OF _____ PAGES

(3) AGENCY NAME _____ (4) PREPARED BY _____
 (5) DATE _____

(6) REVENUE SOURCE(S)	(5a) SERVICE	(5b) SERVICE	(5c) SERVICE	(5d) SERVICE	(7) TOTAL
(6a)	\$	\$	\$	\$	(7a) \$
(6b)					(7b) \$
(6c)					(7c) \$
(6d)					(7d) \$
(6e)					(7e) \$
(6f)					(7f) \$
(6g)	(8a) TOTAL	(8b) TOTAL	(8c) TOTAL	(8d) TOTAL	(7g) \$
	\$	\$	\$	\$	(9) TOTAL REVENUE
					\$
	(10a) EXPENSES	(10b) EXPENSES	(10c) EXPENSES	(10d) EXPENSES	(11) TOTAL EXPENSES
	\$	\$	\$	\$	\$



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- 1 Definition of Terms.** As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:
- 1.1 "Attachment" means any item the Solicitation requires the Offeror to submit as part of the Offer.
 - 1.2 "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments; and any terms applied by law.
 - 1.3 "Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
 - 1.4 "Contractor" means any person who has a Contract with the State.
 - 1.5 "Days" means calendar days unless otherwise specified.
 - 1.6 "Exhibit" means any item labelled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
 - 1.7 "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
 - 1.8 "Offer" means bid, proposal or quotation.
 - 1.9 "Offeror" means a vendor who responds to any type of Solicitation.
 - 1.10 "Procurement Officer" means the person duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract or their designee.
 - 1.11 "Solicitation" means an Invitation for Bids (IFB), a Request for Proposals (RFP), or a Request for Quotations (RFQ).
 - 1.12 "Solicitation Amendment" means a written document that is authorized by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
 - 1.13 "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
 - 1.14 "State" means the State of Arizona and Department or Agency of the State that executes the Contract.

2 Contract Interpretation

- 2.1 **Arizona Law.** The law of Arizona applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2 **Implied Contract Terms.** Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 **Contract Order of Precedence.** In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1 Special Terms and Conditions;
 - 2.3.2 Uniform Terms and Conditions;
 - 2.3.3 Statement or Scope of Work;
 - 2.3.4 Specifications;
 - 2.3.5 Attachments;
 - 2.3.6 Exhibits; and
 - 2.3.7 Documents referenced or included in the Solicitation.
- 2.4 **Relationship of Parties.** The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 **Severability.** The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.



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- 2.6 **No Parol Evidence.** This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document.
- 2.7 **No Waiver.** Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3 Contract Administration and Operation.

- 3.1 **Records.** Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other records ("records") relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 **Non-Discrimination.** The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 **Audit.** Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 **Inspection and Testing.** The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes for producing the materials, at reasonable times for inspection of the materials covered under this Contract. The State shall also have the right to test at its own cost the materials to be supplied under this Contract. Neither inspection at the Contractor's facilities nor testing shall constitute final acceptance of the materials. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5 **Notices.** Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice and an amendment to the Contract shall not be necessary.
- 3.6 **Advertising and Promotion of Contract.** The Contractor shall not advertise or publish information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 **Property of the State.** Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

4 Costs and Payments

- 4.1 **Payments.** Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 **Delivery.** Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destinations.



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4.3 Applicable Taxes.

- 4.3.1 **Payment of Taxes by the State.** The State shall pay only the rate and/or amount of taxes identified in the Offer and in any resulting Contract.
- 4.3.2 **State and Local Transaction Privilege Taxes.** The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 4.3.3 **Tax Indemnification.** Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 4.3.4 **IRS W9 Form.** In order to receive payment under any resulting Contract, Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona.
- 4.4 **Availability of Funds for the Next Fiscal Year.** Funds may not presently be available for performance under this Contract beyond the current fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current fiscal year until funds are made available for performance of this Contract. The State shall make reasonable efforts to secure such funds.

5 Contract Changes

- 5.1 **Amendments.** This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract unless otherwise permitted by the Special Terms and Conditions. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized State employee or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 **Subcontracts.** The Contractor shall not enter into any Subcontract under this Contract without the advance written approval of the Procurement Officer. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 **Assignment and Delegation.** The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6 Risk and Liability

- 6.1 **Risk of Loss.** The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 **General Indemnification.** To the extent permitted by A.R.S. § 41-621 and § 35-154, the State of Arizona shall be indemnified and held harmless by the Contractor for its vicarious liability as a result of entering into this Contract. Each party to this Contract is responsible for its own negligence.
- 6.3 **Indemnification - Patent and Copyright.** To the extent permitted by A.R.S. § 41-621 and § 35-154, the Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any



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patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.

6.4 Force Majeure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 **Third Party Antitrust Violations.** The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7 Warranties

7.1 **Liens.** The Contractor warrants that the materials supplied under this Contract are free of liens.

7.2 **Quality.** Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1 Of a quality to pass without objection in the trade under the Contract description;

7.2.2 Fit for the intended purposes for which the materials are used;



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- 7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
- 7.2.4 Adequately contained, packaged and marked as the Contract may require; and
- 7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3 **Fitness.** The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 7.4 **Inspection/Testing.** The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5 **Year 2000.**
- 7.5.1 Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of force majeure shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.
- 7.5.2 Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of force majeure shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.
- 7.6 **Exclusions.** Except as otherwise set forth in this Contract, there are no express or implied warranties of merchantability or fitness.
- 7.7 **Compliance With Applicable Laws.** The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 7.8 **Survival of Rights and Obligations after Contract Expiration or Termination.**
- 7.8.1 **Contractor's Representations and Warranties.** All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.8.2 **Purchase Orders.** The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.



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8 State's Contractual Remedies

- 8.1 **Right to Assurance.** If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions.
- 8.2 **Stop Work Order.**
- 8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for a period of ninety (90) Days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3 **Non-exclusive Remedies.** The rights and the remedies of the State under this Contract are not exclusive.
- 8.4 **Nonconforming Tender.** Materials supplied under this Contract shall fully comply with the Contract. The delivery of materials or a portion of the materials in an installment that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 **Right of Offset.** The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9 Contract Termination

- 9.1 **Cancellation for Conflict of Interest.** Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2 **Gratuities.** The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.



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- 9.3 **Suspension or Debarment.** The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.
- 9.4 **Termination for Convenience.** The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- 9.5 **Termination for Default.**
- 9.5.1 In addition to the rights reserved in the Uniform Terms and Conditions, the State reserves the right to terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- 9.6 **Continuation of Performance Through Termination.** The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.
- 10 **Contract Claims.** All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.
- 11 **Comments Welcome.** The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: Jerry Brink, State Procurement Administrator, State Procurement Office, 15 South 15th Avenue, Suite 103, Phoenix, Arizona, 85007.

**DEPARTMENT OF ECONOMIC SECURITY
SPECIAL TERMS AND CONDITIONS**

1. **Definition of Terms.** In addition to the terms and conditions defined in section 1 of the Uniform Terms and Conditions, the following shall apply:

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- A. **"Capital Equipment"** means all vehicles, furniture, machinery, electronic data processing (EDP) equipment, software and all other equipment costing \$1,000.00 or more, including all normal and necessary expenses incurred to make the equipment ready for its intended use (e.g., taxes, freight, installation, assembly and testing charges, etc.), and with a useful life of greater than one year. Capital equipment as used herein does not include real property (e.g., land, buildings, structures, or facilities' improvements).
- B. **"Department"** means the Arizona Department of Economic Security (DES), unless otherwise indicated.

2. **Audit.** In addition to the terms and conditions in section 3.3 of the Uniform Terms and Conditions, the following shall apply:

- A. In compliance with the Federal Single Audit Act (31 U.S.C. Sections 7501-7507), as amended by the Single Audit Act Amendments of 1996 (P.L. 104 to 156), contractors designated as subrecipients, as prescribed by the President's Council on Integrity and Efficiency Position Statement No. 6, expending Federal funds from all sources totaling \$300,000 or more, must have a yearly audit conducted in accordance with the audit and reporting standards as prescribed in OMB Circular A-133 (A-133). The audit must include the Reporting Package as outlined in A-133. The Department's contract numbers and award amounts must be included in a separate schedule, if not included on the Schedule of Federal Financial Assistance. A copy of the Audit Report, Management Letter and Auditors Opinion must be submitted to the Department's Office of Audit and Management Services within thirty (30) days after completion of the audit to the Department person designated to receive notices.
- B. All contractors are subject to the programmatic and fiscal monitoring requirements of each Department program to insure accountability of the delivery of all goods and services, as required under the Federal Single Audit Act. A minimum fiscal requirement for all contractors designated as vendors is an annual financial audit which includes Department contract numbers and award amounts. The Audit Report, Management Letter and Auditor's Opinion must be submitted to the Department person designated to receive notices within thirty (30) days after completion of the audit.
- C. As prescribed in OMB Circular A-133, for-profit subrecipients are subject to compliance requirements established by the Department. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, Department monitoring during the contract, and post-award audits.
- D. Audits of non-profit corporations receiving Federal or State monies required pursuant to Federal or State law must be conducted as provided in 31 U.S.C. Section 7501 et seq. and A.R.S. Section 35-181.03 and any other applicable statutes, rules, regulations and standards.

3. **Availability of Funds for the Next Fiscal Year.** In addition to the terms and conditions in section 4.4 of the Uniform Terms and Conditions, the following shall apply:

The Department may reduce payments or terminate this contract without further recourse, obligation or penalty in the event that insufficient funds are appropriated. The Director of the Department shall have the sole and unfettered discretion in determining the availability of funds.

4. **Certification of Cost or Pricing Data.** By signing the offer and contract award form, the contract, change order, contract amendment or other official form, the contractor is certifying that, to the best of the contractor's knowledge and belief, any cost or pricing data submitted is accurate, complete and current as of the date submitted or other mutually agreed upon date.

Furthermore, the price to the State shall be adjusted to exclude any significant amounts by which the State finds the price was increased because the contractor-furnished cost or pricing data was inaccurate, incomplete or not current as of the date of certification. Such adjustment by the State may include overhead, profit or fees. The certifying of cost or pricing data does not apply when contract rates are set by law or regulation.

5. **Fees and Program Income.** The contractor shall impose no fees or charges of any kind upon recipients for specific services authorized under this contract.

6. **Competitive Bidding.** The contractor is authorized to purchase the supplies and equipment itemized in the contract for utilization in the delivery of contract services. Contractor shall procure all such supplies and equipment at the lowest practicable cost and shall purchase all non-expendable items having a useful life of more than one year and an acquisition cost of \$1,000 or more, through generally accepted and reasonable competitive bidding processes. Any procurement in violation of this provision shall be considered a financial audit exception.

7. **Compliance with Applicable Laws.** In addition to the terms and conditions in section 7.7 of the Uniform Terms and Conditions, the following shall apply:
 - A. In accordance with A.R.S. §36-557 (Purchase of community developmental disabilities services; application; contracts; limitation), as applicable, all recipients of contract services shall have all of the same specified rights as they would have if enrolled in a service program operated directly by the State.
 - B. Nothing in this contract shall be construed as a waiver of an indian tribe's sovereign immunity; nothing shall be construed as an indian tribe's consent to be sued, or as consent by an indian tribe to jurisdiction of any State Court.
 - C. The contractor shall comply with the requirements related to reporting to a peace officer or child protective services incidents of crimes against children as specified in A.R.S. §13-3620.
 - D. The contractor shall comply with P.L. 101-121, Section 319 (21 U.S.C. section 1352) and 29 C.F.R. Part 93 which prohibit the use of Federal funds for lobbying and which state, in part: Except with the express authorization of Congress, the contractor, its employees or agents, shall not utilize any Federal funds under the terms of this contract to solicit or influence, or to attempt to solicit or influence, directly or indirectly, any member of Congress regarding pending or prospective legislation. Indian tribes, tribal organizations and any other Indian organizations are exempt from these lobbying restrictions with respect to expenditures that are specifically permitted by other Federal law.

8. **Confidentiality.** The contractor shall observe and abide by all applicable State and Federal statutes, rules and regulations regarding the use or disclosure of information including, but not limited to, information concerning applicants for and recipients of contract services. To the extent permitted by law, the contractor shall release information to the Department and the Attorney General's Office as required by the terms of this contract, by law or upon their request.

9. **Contract Extension.** The State has no obligation to extend or renew this contract. However, this contract may be extended or renewed for multiple periods, or may be established as a multi-year contract in its entirety or in part at the sole option of the State. The Department's Procurement Officer may provide written notice to the contractor that the contract is being extended for the period specified and a written amendment to the contract signed by both parties shall not be necessary. Any extension must be made prior to the end of the contract period specified in this contract.

10. **Amendments.** In addition to the terms and conditions in section 5.1 of the Uniform Terms and Conditions, the following shall apply:

The contractor shall give written notice to the Department of changes to the following, and a written amendment to the contract shall not be necessary:

1. Change of address of business office;

2. Change of telephone number;
3. Change of Contract Authorized Signatory or his/her designee;
4. Changes in the name and/or address of the person to whom notices are to be sent;
5. Changes in contract-related personnel positions of the contractor which do not affect staffing ratios, staff qualifications or specific individuals required under this contract;
6. Change in the name of the contractor, where the ownership or responsible entity remains the same; or,
7. In a fixed price with price adjustment contract, whenever there is less than a 10% increase in any budget category; any such increase must be offset by a decrease in one or more other budget category (ies).

11. **Contract Term.** The term of this contract shall be the period of time from the contract begin date to the contract termination date as awarded or extended. The begin date of the contract term is the date that the contractor may start to provide services under this contract. The contractor will not be paid or reimbursed for contract services provided prior to the begin date. However, payments or reimbursements shall not be made under this contract until the effective date of this contract.

12. **Cooperation.** The Department may undertake or award other contracts for additional work related to the work performed by the contractor, and the contractor shall fully cooperate with such other contractors and State employees, and carefully fit its own work to such other contractors' work. The contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by State employees. The contractor shall cooperate as the State deems necessary, with the transfer of work, services, case records and files performed or prepared by the contractor to other contractor(s).

13. **Equipment.**

- A. If the contractor is authorized to purchase capital equipment, it shall be itemized in the contract for utilization in the delivery of contract services. If capital equipment is purchased as authorized by this contract, the contractor shall maintain complete and up-to-date inventory records for all capital equipment purchased hereunder. Capital equipment specifically designated within this contract, to be purchased in whole or part with the Department funds, shall be reported in accordance with Department inventory policies and procedures. The contractor shall report capital equipment purchased with contract funds to the Department within thirty (30) days of purchase, perform an annual inventory of all capital equipment purchased with Department funds and submit the capital equipment inventory form to the Department person designated to receive notices.
- B. The Department shall retain an equitable interest equal to the purchase price paid, or a fair estimate or appraisal of current market value, whichever is greater, in all capital equipment purchased under this contract. The Department shall be included as a co-insured on any insurance policy which covers capital equipment purchased under this contract.
- C. The contractor shall not dispose of any capital equipment purchased under this contract without the prior written consent of the Department during and after the contract term. Such consent, if given, may include direction as to the means of disposition and the utilization of proceeds, including any necessary adjustments to the contract.
- D. Upon termination of this contract, any capital equipment purchased under this contract shall be disposed of as directed by the Department and, if sold, the Department shall be compensated in the amount of its equitable interest.

14. **Evaluation.** The Department may evaluate, and the contractor shall cooperate in the evaluation of, contract services. Evaluation may assess the quality and impact of contract services, either in isolation or in comparison with other similar services, and assess the contractor's progress and/or success in achieving the goals, objectives and deliverables set forth in this contract.

15. **Fair Hearings and Service Recipients' Grievances.**

- A. The contractor shall advise all applicants for and recipients of contract services of their right, at any time and for any reason, to present to the contractor and to the Department any grievances arising from the delivery of contract services, including, but not limited to, ineligibility determination, reduction of services, suspension or termination of services, or quality of services. The Department may assert its jurisdiction to hear the grievance or refer the matter to the appropriate authority.
- B. The contractor, whenever authorized by law, shall maintain a formal system acceptable to and approved by the Department for reviewing and adjudicating grievances by service recipients or subcontractors arising from this contract.

16. **Fingerprinting.** The provisions of A.R.S. § 46-141 (as may be amended) are hereby incorporated in their entirety as provisions of this contract. For reference, these provisions include, but are not limited to, the following:

- A. Personnel who are employed by the contractor, whether paid or not, and who are required or allowed to provide services directly to juveniles shall have a valid class one or class two fingerprint clearance card issued pursuant to title 41, chapter 12, article 3.1, or shall apply for a class one or class two fingerprint clearance card within seven working days of employment.
- B. The provider shall assume the costs of fingerprint checks and may charge these costs to its fingerprinted personnel. The department may allow all or part of the costs of fingerprint checks to be included as an allowable cost in a contract.
- C. Except as provided in A.R.S. § 46-141, this contract may be cancelled or terminated immediately if a person employed by the contractor and who has contact with juveniles certifies pursuant to the provisions of A.R.S. § 46-141 (as may be amended) that the person is awaiting trial or has been convicted of any of the offenses listed therein in this state, or of acts committed in another state that would be offenses in this state, or if the person does not possess or is denied issuance of a valid fingerprint clearance card.
- D. Personnel who are employed by any provider, whether paid or not, and who are required or allowed to provide services directly to juveniles shall certify on forms provided by the Department of Economic Security and notarized whether they are awaiting trial on or have ever been convicted of any of the offenses described in A.R.S. § 46-141 (F) (as may be amended).
- E. Personnel who are employed by any provider, whether paid or not, and who are required or allowed to provide services directly to juveniles shall certify on forms provided by the Department of Economic Security and notarized whether they have ever committed any act of sexual abuse of a child, including sexual exploitation and commercial sexual exploitation, or any act of child abuse.
- F. Federally recognized indian tribes or military bases may submit and the Department of Economic Security shall accept certifications that state that no personnel who are employed or who will be employed during the contract term have been convicted of, have admitted committing or are awaiting trial on any offense as described in A.R.S. § 46-141 (F) (as may be amended).

17. **General Understanding.** In order for the Department to accomplish a comprehensive and coordinated service response system, some services must be provided through a joint venture between the Department and the contractor. The Department recognizes the contractor's role as both integral and significant to the delivery of services and understands the importance of a true partnership with the contractor. To this end, the Department recognizes the autonomy of the contractor and will try to avoid unnecessary demands or intrusions on the operations and business practices of the contractor.

18. **Insurance.**

- A. Contractor and any subcontractor shall maintain at all times during the term of this contract, as applicable, the following types and levels of insurance coverage:
 - 1. Commercial General Liability: Provides coverage for bodily injury and property damage to others as a result of accidents from the premises or operations of the contractor.

The coverage provided by the Commercial General Liability policy includes:

Premises/Operations Liability	Products/Completed Operations Liability
Contractual Liability	Personal and Advertising Injury Liability
Independent Contractors Liability	Fire Damage Legal Liability
Broad Form Property Damage Liability	Host Liquor Liability
Underground, Explosion, Collapse Liability	

Limits: \$1,000,000 Combined Single Limit (CSL) each occurrence-minimum limits.

2. Commercial Automobile Liability: Provides coverage for bodily injury and property damage to others resulting from accidents caused by owned, non-owned or hired vehicles of the contractor. This coverage should be provided whenever vehicles are assigned to or used by the contractor in connection with the contract.

Limits: \$1,000,000 CSL each occurrence - minimum limits.

3. Workers' Compensation: Provides coverage to employees of the contractor for injuries sustained in the course of their employment. Coverage should meet the obligations imposed by Federal and State statutes and should also include Employer's Liability. Evidence of qualified self-insured status shall also be accepted.

Limits: Statutory Requirement - Workers Compensation \$100,000 (minimum) - Employer's Liability.

4. Professional Liability: Provides coverage for alleged professional misconduct or lack of ordinary skills in the performance of a professional act or service. Depending on the type of service performed, coverage should be one of the following types of professional liability policies:

Errors and Omissions	Accountants Professional
Lawyers Professional	Teachers Professional
Medical Malpractice	Social Workers Professional
Engineers Professional	Other Professional not listed above
Architects Professional	

Limits: \$1,000,000 CSL each occurrence.

- B. In Section 17A, except for Worker's Compensation, the State of Arizona and the Department will both be named as additional insureds.
- C. Prior to beginning services under this contract, contractor shall furnish the Department with a Certificate of Insurance which certifies that the contractor has the required insurance coverage and additional insured endorsement, and the Department reserves the right to request copies of any or all of the above policies, endorsements or notices relating thereto. The Department reserves the right to continue payments of premiums for which reimbursement will be deducted from amounts due or subsequently due the contractor. Failure to procure and/or maintain the required insurance shall constitute a material breach upon which the Department may immediately terminate this contract.
- D. If the contractor is insured pursuant to A.R.S. §41-621 et seq., another State statute or Federal law authorizing self insurance or A.A.C. R2-10-401, the provisions of this section shall not apply.

19. **Levels of Service.**

- A. If the contractor determines service recipient eligibility, the contractor shall maintain and regulate the units or services set forth in this contract to ensure continuity and availability of services to eligible persons during the term of this contract and during any transition to a subsequent contractor.
- B. The Department makes no guarantee to purchase specific quantities of goods or services, or to refer eligible persons as may be identified or specified herein. Further, it is understood and agreed that this contract is for the sole

convenience of the Department and that the Department reserves the right to obtain like goods or services from other sources when such need is determined necessary by the Department.

- C. Any Department Administration may obtain services under this contract.
 - D. Contract services may be moved or expanded to other site locations within the geographic area awarded only by a written contract amendment.
 - E. The Department makes no guarantee to purchase all of the service units authorized or to provide any number of referrals. If quantities of units are specified, they are estimates only and the Department may decrease and/or increase them by providing written notice to the contractor.
 - F. When the method of compensation for the service is **Fixed Price with Price Adjustment**, the contract may be amended, by mutual agreement, to purchase additional services by increasing the contract service budget and/or budget summary.
20. **Monitoring.** The Department may monitor the contractor or subcontractor and they shall cooperate in the monitoring of services delivered, facilities maintained and fiscal practices.
21. **Non-Discrimination.** In addition to the terms and conditions in section 3.2 of the Uniform Terms and Conditions, the following shall apply:
- A. Unless exempt under Federal law the contractor shall comply with Title VII of the Civil Rights Act of 1964 as amended. Contractor shall comply with the Age Discrimination in Employment Act. The contractor shall comply with the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment or advancement in employment of qualified persons because of physical or mental handicap. The contractor shall comply with the requirements of the Fair Labor Standards Act of 1938, as amended.
 - B. If contractor is an Indian Tribal Government, contractor shall comply with the Indian Civil Rights Act of 1968. It shall be permissible for an Indian Tribal contractor to engage in Indian preference in hiring.
 - C. The contractor shall comply with Title VI of the Civil Rights Act of 1964, which prohibits the denial of benefits of or participation in contract services on the basis of race, color, or national origin. The contractor shall comply with the requirements of Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of handicap, in delivering contract services; and with Title II of the Americans with Disabilities Act, and the Arizona Disability Act, which prohibit discrimination on the basis of physical or mental disabilities in the provision of contract programs, services and activities.
22. **Notices.** In addition to the terms and conditions in section 3.5 of the Uniform Terms and Conditions, the following shall apply:
- All notices shall reference the contract number.
23. **Payments.** In addition to the terms and conditions in section 4.1 of the Uniform Terms and Conditions, the following shall apply:
- A. Payments shall be made according to the methods of compensation defined as follows:

Rate (or) Fixed Price- The contractor is paid a specified amount for each unit of service or deliverable as designated in the contract, not to exceed the maximum number of units indicated for each contract service/deliverable.

Fixed Price with Price Adjustment - Reimbursement to the contractor is in accordance with actual, allowable costs incurred consistent with each service budget and/or budget summary not to exceed the service reimbursement

ceiling. The contractor shall furnish the Department with an accounting of actual costs incurred consistent with the categories set forth in the service budget.

- B. The contractor shall report contract expenditures to the Department in the manner prescribed by the "Reporting Requirements" section of these terms and conditions. Upon receipt of applicable, accurate and complete reports, the Department shall authorize payment or reimbursement in accordance with the method(s) indicated by this contract.
- C. If the contractor is in any manner in default in the performance of any obligation under this contract, or if audit exceptions are identified, the Department may, at its option and in addition to other available remedies, either adjust the amount of payment or withhold payment until satisfactory resolution of the default or exception.
- D. Under no circumstances shall the Department make payment to the contractor that exceeds the contract or service reimbursement ceiling without an amendment to this contract in accordance with the "Contract Interpretation and Amendment" section of these terms and conditions. Under no circumstances shall the Department make payment to the contractor for services performed prior to or after the term of the contract without timely extension or renewal of the contract.

24. **Payment Recoupment.** The contractor must reimburse the Department upon demand or the Department may deduct from future payments the following:

- A. Any amounts received by the contractor from the Department for contract services which have been inaccurately reported or are found to be unsubstantiated;
- B. Any amounts paid by the contractor to a subcontractor not authorized in writing by the Department;
- C. Any amount or benefit paid directly or indirectly to an individual or organization not in accordance with the "Substantial Interest" section of these terms and conditions;
- D. Any amounts paid by the Department for services which duplicate services covered or reimbursed by other specific grants, contracts, or payments;
- E. When this contract provides for the reimbursement of costs, any amounts expended for items or purposes determined unallowable by the Department. See the "Unallowable Costs" section of these terms and conditions;
- F. Any amounts paid by the Department for which the contractor's books, records, and other documents are not sufficient to clearly substantiate that those amounts were used by the contractor to perform contract services;
- G. Any amounts received by the contractor from the Department which are identified as a financial audit exception;
- H. Any amounts paid or reimbursed in excess of the contract or service reimbursement ceiling;
- I. Any amounts paid to the contractor which are subsequently determined to be defective pursuant to the "Certification of Cost or Pricing Data" section of these terms and conditions.
- J. Any payments made for services rendered before the contract begin date or after the contract termination date.

25. **Personnel.** The contractor's personnel shall satisfy all qualifications, carry out all duties, work the hours and receive the compensation set forth in this contract.

26. **Predecessor and Successor Contracts.** The execution or termination of this contract shall not be considered a waiver by the Department of any rights it may have for damages suffered through a breach of this or a prior contract with the Contractor.

27. **Professional Standards.** The contractor shall deliver contract services in a humane and respectful manner and in accordance with any and all applicable professional accreditation standards. Levels of staff qualifications, professionalism, numbers of staff and individuals identified by name must be maintained as presented in the contract.

28. **Records** In addition to the terms and conditions in section 3.1 of the Uniform Terms and Conditions, the following shall apply:

Contract service records will be maintained in accordance with this contract. Records shall, as applicable, meet the following standards:

- A. Adequately identify the service provided and each service recipient's application for contract and subcontract activities;
- B. Include personnel records which contain applications for employment, job titles and descriptions, hire and termination dates, wage rates, and effective dates of personnel actions affecting any of these items;
- C. Include time and attendance records for individual employees to support all salaries and wages paid;
- D. Include records of the source of all receipts and the deposit of all funds received by the contractor;
- E. Include original copies of invoices, statements, sales tickets, billings for services, deposit slips, etc., and a cash disbursement journal and cancelled checks to reflect all disbursements applicable to the contract;
- F. Include a complete general ledger with accounts for the collection of all costs and/or fees applicable to the contract; and,
- G. Include copies of lease/rental agreements, mortgages and/or any other agreements which in any way may affect contract expenditures.

Any such records not maintained shall mandate an audit exception in the amount of the inadequately documented expenditures.

29. **Reporting Requirements.**

- A. Unless otherwise provided in this contract, reporting shall adhere to the following schedule: no later than the 15th day following each month during the contract term the contractor shall submit programmatic and financial reports to the Department in the form set forth in the contract. Failure to submit accurate and complete reports by the 15th day following the end of a month may result, at the option of the Department, in retention of payment. Failure to provide such report within 45 days following the end of a month may result, at the option of the Department, in a forfeiture of such payment.
- B. No later than the 45th day following the termination of this contract, contractor shall submit to the Department a final program and fiscal report. Failure to submit the final program and fiscal report within the above time period may result, at the option of the Department, in forfeiture of final payment.
- C. All reports shall reference the contract number and be submitted to the person designated by the Department.

30. **Subcontracts.** In addition to the terms and conditions in section 5.2 of the Uniform Terms and Conditions, the following shall apply:

The contractor shall provide copies of subcontracts relating to the provision of contract services to the Department upon request.

31. **Substantial Interest Disclosure.**

- A. Contractor shall not make any payments, either directly or indirectly, to any person, partnership, corporation, trust, or any other organization which has a substantial interest in contractor's organization or with which contractor (or one of its directors, officers, owners, trust certificate holders or a relative thereof) has a substantial interest, unless contractor has made a full written disclosure of the proposed payments, including amounts, to the Department.
- B. Leases or rental agreements or purchase of real property which would be covered by Paragraph A of this section shall be in writing and accompanied by an independent commercial appraisal of fair market rental, lease, or purchase value, as appropriate.
- C. For the purpose of this Section, "relative" shall have the same meaning as in A.R.S. §38-502
32. **Supporting Documents and Information.** In addition to any documents, reports or information required by any other section of this contract, contractor shall furnish the Department with any further documents and information deemed necessary by the Department.
33. **Technical Assistance.** The Department may, but shall not be obligated to, provide technical assistance to the contractor in the administration of contract services, or relating to the terms and conditions, policies and procedures governing this contract. Notwithstanding the foregoing, the contractor shall not be relieved of full responsibility and accountability for the provision of contract services in accordance with the terms and conditions set forth herein.
34. **Termination for Any Reason.**
- A. In the event the contract is terminated, with or without cause, or expires, the contractor, whenever determined appropriate by the Department, shall assist the Department in the transition of services or eligible persons to other contractors. Such assistance and coordination shall include, but not be limited to, the forwarding of program and other records as may be necessary to assure the smoothest possible transition and continuity of services. The cost of reproducing and forwarding such records and other materials shall be borne by the contractor. The contractor must make provisions for continuing all management/administrative services until the transition of services or eligible persons is complete and all other requirements of this contract are satisfied.
- B. In the event of termination or suspension of the contract by the Department, such termination or suspension shall not affect the obligation of the contractor to indemnify the Department and the State for any claim by any other party against the State or Department arising from the contractor's performance of this contract and for which the contractor would otherwise be liable under this contract. To the extent such indemnification is excluded by A.R.S. §41-621 et seq. or an obligation is unauthorized under A.R.S. §35-154, the provisions of this paragraph shall not apply.
- C. In the event of early termination, any funds advanced to the contractor shall be returned to the Department within ten (10) days after the date of termination or upon receipt of notice of termination of the contract, whichever is earlier.
35. **Termination for Default.** In addition to the terms and conditions in section 9.5 of the Uniform Terms and Conditions, the following shall apply:
- This contract may immediately be terminated if the Department determines that the health or welfare or safety of service recipients is endangered.
36. **Unallowable Costs.** The cost principles set forth in the Code of Federal Regulations, 48 CFR, Chapter 1, Subchapter e, Part 31, (October 1, 1991), excluding later amendments and editions, on file with the Secretary of State and incorporated by this reference, shall be used to determine the allowability of incurred costs for the purpose of reimbursing costs under contract provisions that provide for the reimbursement of costs. Those costs which are specifically defined as unallowable therein will not be submitted for reimbursement by the contractor and may not be reimbursed with Department funds.

In addition, the contractor shall comply with the following publications, as applicable:

- A. OMB Circular A-87 for State, local and Indian Tribal Governments.
- B. OMB Circular A-122 for private nonprofit organizations other than institutions of higher education, hospitals or others specified in A-122.
- C. OMB Circular A-21 for educational institutions.
- D. OMB Circular A-133 for audits of institutions of higher education and other non-profit institutions.

37. **Visitation, Inspection and Copying.** Contractor's or subcontractor's facilities, services, books and records pertaining to the contract shall be available for visitation, inspection and copying by the Department and any other appropriate agent of the State or Federal Government. At the discretion of the Department, visitation, inspection and copying may be at any time during regular business hours, announced or unannounced. If the Department deems it to be an emergency situation, it may at any time visit and inspect the contractor's or subcontractor's facilities and services, as well as inspect and copy their contract-related books and records.

ARIZONA DEPARTMENT OF ECONOMIC SECURITY

CHILD CARE ADMINISTRATION

SPECIAL TERMS AND CONDITIONS

COMPLIANCE WITH THE PRO-CHILDREN ACT OF 1994

The Contractor must comply with 20 U.S.C. 6083, Part C Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug and alcohol treatment.

The Contractor further agrees that the above language will be included in any subcontracts which contain provisions for children's services and that all subcontractors shall comply accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1,000 per day.

EXHIBITS

	<u>Total # of Pgs</u>
10.1 Sample for the Itemized Service Budget (ISB)	2
10.2 Child Care and Development Fund (CCDF) Cost Limitations	1
10.3 Accreditation/Credential Information	1
10.4 Special Needs Contracts Quarterly Report Summary, July 1, 2000 – June 30,2001	2

CHILD CARE AND DEVELOPMENT FUND (CCDF) COST LIMITATIONS

Per 45 CFR §98.54, the following restrictions apply to the use of CCDF funds.

Purchase of land, etc. Funds may not be used for the purchase of improvement of land, or for the purchase, construction or permanent improvement of any building or facility.

Sectarian Purposes. Funds may not be expended for any sectarian purpose or activity, which is any religious purpose or activity, including but not limited to religious worship or instruction.

Remodeling. Non-sectarian agencies or organizations may expend funds for minor remodeling. In addition they may expend funds for upgrading the child care facility to meet state child care standards. Sectarian agencies or organizations may use funds for minor remodeling only if necessary to bring the facility into compliance with health and safety requirements.

Minor remodeling is defined as a "job" (group of related alterations to a building or facility) for which the total cost does not exceed \$5,000. This limit includes the cost for all labor & materials combined. Any "job" that exceeds a total cost of \$5,000 will not be funded; in addition, the Department will not pay any portion of such a job that exceeds \$5,000.

ACCREDITATION INFORMATION

.....for CENTERS

<u>ORGANIZATION</u>	<u>TOOL</u>	<u>WEB ADDRESS</u>	<u>PHONE #</u>
National School Age Care Alliance	NSACA	www.nsaca.org	617-298-5012
National Association for The Education of Young Children	NAEYC	www.naeyc.org	800- 424-2460
National Association of Child Care Professionals (NCCP)	NAC	www.naccp.org	800-537-1118
<ul style="list-style-type: none">The NACCP has a commission called the National Accreditation Commission for Early Care and Education Programs (NACECEP). This commission has shortened the title to NAC; National Accreditation Commission which accredits centers.			
National Child Care Assoc. (NCCA)	NECPA	www.nccanet.org	800-543-7161
<ul style="list-style-type: none">The NCCA accreditation program is called the National Early Childhood Program Accreditation (NECPA).			
Association Montessori Internationale	AMI/USA	www.ami-usa.montessori-ami.org	716-461-5920
American Montessori Society	AMS	www.amshg.org	614-237-2974

.....for FAMILY CHILD CARE HOME and GROUP HOME

National Assoc. for Family Child Care	NAFCC	www.nafcc.org	515-282-8192
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CREDENTIAL INFORMATION

.....for FAMILY CHILD CARE HOME and GROUP HOME

The Council for Early Childhood Professional Recognition	CDA w/Family Child Care endorsement	www.cdacouncil.org	800-424-4310
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- The above named council operates the Child Development Associate (CDA) National Credentialing Program.

(SAMPLE)
ITEMIZED SERVICE BUDGET

CONTRACT SERVICE: Case Management

NAME: Worthwhile Services, Inc

Contract Period: 7/01/2000 - 6/30/2001

1. **PERSONNEL**

Number of Positions	FTE Level	Position Title	Total Salary for the Contract Period	% Allocated Service	TOTAL SERVICE COST	DES COST
1	1.00	Executive Director	\$31,400	90%	\$28,260	\$13,474
1	0.50	Secretary	\$8,500	80%	\$6,800	\$3,242
1	0.50	Case Manager	\$11,000	100%	\$11,000	\$5,245
3	1.00	Case Worker	\$54,000	65%	\$35,100	\$16,735
1	0.50	Program Aide	\$5,400	100%	\$5,400	\$2,575
TOTAL:					\$86,560	\$41,271

2. **EMPLOYEE RELATED EXPENSES**

ITEM	BASIS	TOTAL COST	DES COST
Various fringe benefits	(Average: 18% of \$86,560)	\$15,581	\$7,429
TOTAL:		\$15,581	\$7,429

3. **PROFESSIONAL AND OUTSIDE SERVICES**

ITEM	BASIS	TOTAL COST	DES COST
Audit Fee	\$6,200 x .5128 FTE share for this service	\$3,179	\$1,516
Subcontractors	Contracted direct service	\$50,000	\$23,840
TOTAL:		\$53,179	\$25,355

4. **TRAVEL**

ITEM	BASIS	TOTAL COST	DES COST
Staff Owned Vehicle Mileage	116.7 mi/mo x 12 mo x .30/mi =	\$420	\$200
Agency Leased Vehicle	\$2,151/yr x .5128 (FTE Share)	\$1,103	\$526
TOTAL:		\$1,523	\$726

5. **SPACE**

ITEM	BASIS	TOTAL COST	DES COST
Office Space	\$ 10.88/sq ft X 778 sqft (rent, electricity, gas, water)	\$8,465	\$4,036
Cleaning Service	\$118/mo x 12 mo X .3304 (service share of office)	\$468	\$223
TOTAL:		\$8,933	\$4,259

6. **EQUIPMENT**

ITEM	BASIS	TOTAL COST	DES COST
Purchase-IBM PC-Pentium II, 300 mhz		\$1,900	\$906
19" Monitor		\$300	\$143
HP Color Printer		\$300	\$143
TOTAL:		\$2,500	\$1,192

7. **MATERIALS AND SUPPLIES**

ITEM	BASIS	TOTAL COST	DES COST
General Office Supplies	\$1,850 x .5128 (FTE Share)	\$949	\$452
Postage	\$1,725 x .17 (Salary Share) (excludes fund raising)	\$293	\$140
Cleaning Supplies	\$1,185 x .3304 (Space Utilization Share)	\$392	\$187
TOTAL:		\$1,634	\$779

8. **OPERATING SERVICES**

ITEM	BASIS	TOTAL COST	DES COST
Telephone	\$200/mo x 12 mo.	\$2,400	\$1,144
General Liability Insurance	\$3,155 x .17 (Salary Share) =	\$536	\$256
Subscriptions & Dues	Allocated Evenly to Agency's Six Services	\$71	\$34
TOTAL:		\$3,007	\$1,434

9.	TOTAL DIRECT COST:	\$172,917	\$82,445
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10. **INDIRECT COSTS**

ITEM	BASIS	TOTAL COST	DES COST
Indirect cost	\$26,750 x average % of .3414	\$9,132	\$4,354
TOTAL:		\$9,132	\$4,354

11	TOTAL SERVICE COST:	\$249,548	\$154,298
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