

**Purchased Client Services Contract
Amendment**

Contract # 530-12-0224-00001 Amendment #17-01

This AMENDMENT (Amendment) of contract # 530-12-0224-00001 (Agreement or Contract), is entered into by and between the Texas Department of Family and Protective Services (DFPS or the Department) and Texas Juvenile Justice Department (TJJJ or Contractor). DFPS and TJJJ entered into a contract effective December 1, 2011 for the purpose of providing Foster Care Maintenance, Administration, and Training services to IV-E eligible clients by TJJJ with a payment type of cost reimbursement.

1. Purpose

Section 6 of the Agreement stipulates that the Contract can be modified through a written amendment mutually agreed upon and signed by both parties. DFPS and TJJJ has amended this contract 2 previous times. Both DFPS and the Contractor agree to extend the term of the contract by five (5) years and include a new Statement of Work for services rendered for foster care maintenance, administration, and training for IV-E eligible clients.

2. Effect of Amendment on Contract. Unless otherwise modified, the terms and conditions of the Contract shall remain in full force and effect. The Department and the Contractor agree to amend the contract as follows:

2.1 Effective Date of Contract. This Amendment deletes Section 7 of the Contract in its entirety and replaces it with the following term:

"8. TERM OF CONTRACT

This Contract will begin on October 1, 2016 and end on September 30, 2021. TJJJ will submit a new Cost Allocation Plan to DFPS by December 31st of each year this contract is in effect and a both parties will agree on an approved Statement of Work by September 1st of each year this contract is in effect."

2.2 Incorporation by Reference. This Amendment deletes Section 10.2 of the Contract in its entirety and replaces it with the following term:

"11.2. Attachment A: FY17 Statement of Work"

2.3. Contract Amount. Section 5 of the Contract is deleted in its entirety and the following provision substituted for same:

"DFPS will pay TJJJ up to \$10,500,000.00 for services rendered in accordance with the terms of this Contract upon receipt of a proper and verified statement and after deducting any known previous overpayment made by the Department."

3. Contractor Representations. Contractor represents, and requests the Department to rely on these representations:

**Purchased Client Services Contract
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- 3.1. If any material facts have changed, the Contractor has attached new and current documents as indicated by the Department.
- 3.2. By signing this renewal, the Contractor represents and warrants to the Department that Contractor still complies with all previously submitted Certifications made when entering into this agreement.

The parties to Contract #530-12-0224-00001 have duly executed this Amendment to be effective October 1, 2016.

Texas Department of Family
and Protective Services

Contractor: Texas Department of
Juvenile Justice



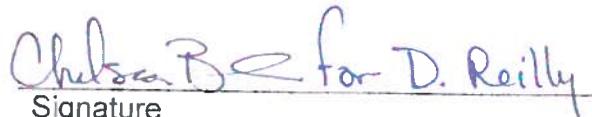
Signature

Printed Name: Charles Smith

Title: HHSC Executive Commissioner

9-21-2016

Date



Signature

Printed Name: David Reilly

Title: Executive Director

9/16/16

Date

Budget for Purchase of Service Contracts

Summary

Contractor Texas Juvenile Justice Department

Contract No. 530-12-0224-00001 (#17-01)

Contract Period 10/1/2016 - 9/30/2021

Cost Category	A Grand Total	B Reimbursable	C Other (Match)
1A. Personnel - Salaries	\$ 203,472.00	\$ 101,736.00	\$ 101,736.00
1B. Personnel - Fringe Benefits	\$ 77,138.42	\$ 38,569.21	\$ 38,569.21
Subtotal	\$ 280,610.42	\$ 140,305.21	\$ 140,305.21
2. Travel	\$ 18,047.00	\$ 8,023.50	\$ 8,023.50
3. Materials and Supplies	\$ 2,045.00	\$ 1,022.50	\$ 1,022.50
4. Equipment (Rent/Lease/Purchase)	\$ -	\$ -	\$ -
Subtotal	\$ 18,092.00	\$ 9,046.00	\$ 9,046.00
5. Other Costs (list below)			
Other Direct Costs	\$ 7,098.00	\$ 3,549.00	\$ 3,549.00
Cost Pool Expenses	\$ 7,718.00	\$ 3,859.00	\$ 3,859.00
County Administrative Contracts	\$ 3,223,586.00	\$ 1,611,793.00	\$ 1,611,793.00
Subtotal	\$ 3,238,402.00	\$ 1,619,201.00	\$ 1,619,201.00
Foster or Day Care Total (per PRS unit rate below)	\$ 14,782,500.00	\$ 7,391,250.00	\$ 7,391,250.00
Total Direct Costs	\$ 3,537,104.42	\$ 1,768,562.21	\$ 1,768,562.21
Total Indirect Costs (if applicable) 4.3% of Salaries		\$ -	\$ -
Grand Total	\$ 18,319,604.42	\$ 9,159,802.21	\$ 9,159,802.21

Unit Rate Contracts	Amounts
(a) Projected service units (days etc) x	365
(b) Cost per unit of service (i.e. unit rates)x	\$ 136.00
(c) Projected clients to be served	300
Foster or Day Care Total	\$ 14,782,500.00

Certified by: Michael Meyer

Name: Michael Meyer

Title: CFO

Date: 9/19/16

Budget for Purchase of Service Contracts

1B. Personnel - Fringe Benefits

Contractor Texas Juvenile Justice Department
Contract No. 530-12-0224-00001 (#17-01)
Contract Period 10/1/2016 - 9/30/2021

Position or Title	A	B	C	D	E	F	G
	Avg. Monthly Salary	Annual	Avg. Monthly Amount	# Mos. At Reimburs. Rate	Total (Cx D)	Reimbursable	Other- Match
State Paid FICA 7.65% (C=Ax7.65%)							
Administrative Reimbursement							
Program Specialist III	3,799.00	\$ 3,487.48	\$ 290.62	12.0	\$ 3,487.48	\$ 1,743.74	\$ 1,743.74
Program Specialist IV	4,736.00	\$ 4,347.65	\$ 362.30	12.0	\$ 4,347.65	\$ 2,173.83	\$ 2,173.83
Accountant VI	5,133.00	\$ 4,712.09	\$ 392.67	12.0	\$ 4,712.09	\$ 2,356.05	\$ 2,356.05
Manager IV	6,840.00	\$ 6,279.12	\$ 523.28	12.0	\$ 6,279.12	\$ 3,139.56	\$ 3,139.56
		\$ -	\$ -	12.0	\$ -	\$ -	\$ -
		\$ -	\$ -	12.0	\$ -	\$ -	\$ -
State Paid Retirement 9.5% (C=Ax9.5%)							
Administrative Reimbursement							
Program Specialist III	3,799.00	\$ 4,330.86	\$ 360.91	12.0	\$ 4,330.86	\$ 2,165.43	\$ 2,165.43
Program Specialist IV	4,736.00	\$ 5,399.04	\$ 449.92	12.0	\$ 5,399.04	\$ 2,699.52	\$ 2,699.52
Accountant VI	5,133.00	\$ 5,851.62	\$ 487.64	12.0	\$ 5,851.62	\$ 2,925.81	\$ 2,925.81
Manager IV	6,840.00	\$ 7,797.60	\$ 649.80	12.0	\$ 7,797.60	\$ 3,898.80	\$ 3,898.80
		\$ -	\$ -	12.0	\$ -	\$ -	\$ -
		\$ -	\$ -	12.0	\$ -	\$ -	\$ -
State Paid ERS 1.0% (C=Ax1.0%)							
Administrative Reimbursement							
Program Specialist III	3,799.00	\$ 455.88	\$ 37.99	12.0	\$ 455.88	\$ 227.94	\$ 227.94
Program Specialist IV	4,736.00	\$ 568.32	\$ 47.36	12.0	\$ 568.32	\$ 284.16	\$ 284.16
Accountant VI	5,133.00	\$ 615.96	\$ 51.33	12.0	\$ 615.96	\$ 307.98	\$ 307.98
Manager IV	6,840.00	\$ 820.80	\$ 68.40	12.0	\$ 820.80	\$ 410.40	\$ 410.40
		\$ -	\$ -	12.0	\$ -	\$ -	\$ -
		\$ -	\$ -	12.0	\$ -	\$ -	\$ -
State Paid Health Insurance							
Administrative Reimbursement							
Program Specialist III	3,799.00	\$ 7,407.60	\$ 617.30	12.0	\$ 7,407.60	\$ 3,703.80	\$ 3,703.80
Program Specialist IV	4,736.00	\$ 7,407.60	\$ 617.30	12.0	\$ 7,407.60	\$ 3,703.80	\$ 3,703.80
Accountant VI	5,133.00	\$ 10,249.20	\$ 854.10	12.0	\$ 10,249.20	\$ 5,124.60	\$ 5,124.60
Manager IV	6,840.00	\$ 7,407.60	\$ 617.30	12.0	\$ 7,407.60	\$ 3,703.80	\$ 3,703.80
		\$ -	\$ -	12.0	\$ -	\$ -	\$ -
		\$ -	\$ -	12.0	\$ -	\$ -	\$ -
Total Fringe Benefits					\$ 77,138.42	\$ 38,569.21	\$ 38,569.21

Budget for Purchase of Service Contracts

2. Travel

Contractor
Contract No.
Contract Period

Texas Juvenile Justice Department
530-12-0224-00001 (#17-01)
10/1/2016 - 9/30/2021

Type of Travel Expense (mileage/food/lodging etc.)	Purpose Destination and benefit to the program	A Total	B Reimbursable	C Other - Match
Administrative Reimbursement				
Reasonable Candidate Case Reviews				
Lodging	3 staff / 4 nights / 4 trips / \$85 per night	\$ 4,080.00	\$ 2,040.00	\$ 2,040.00
Hotel Tax	3 staff / 4 nights / 4 trips / \$85 per night @ 15%	\$ 612.00	\$ 306.00	\$ 306.00
Meals	4 staff / 5 days / 4 trips / \$46 per day	\$ 3,680.00	\$ 1,840.00	\$ 1,840.00
Mileage	None	\$ -	\$ -	\$ -
Airfare	None	\$ -	\$ -	\$ -
Parking/Other	1 staff / 5 days / 4 trips / \$12 a day	\$ 240.00	\$ 120.00	\$ 120.00
Program & Fiscal Reviews				
Lodging	1 staff / 6 nights / 6 trips / \$85 per night	\$ 3,060.00	\$ 1,530.00	\$ 1,530.00
Hotel Tax	1 staff / 6 nights / 6 trips / \$85 per night @ 15%	\$ 459.00	\$ 229.50	\$ 229.50
Meals	1 staff / 7 days / 6 trips / \$46 per day	\$ 1,932.00	\$ 966.00	\$ 966.00
Mileage	None	\$ -	\$ -	\$ -
Airfare	None	\$ -	\$ -	\$ -
Parking/Other	1 staff / 7 days / 6 trips / \$12 a day	\$ 504.00	\$ 252.00	\$ 252.00
Lodging	3 staff / 3 nights / 1 trip / \$85 night	\$ 765.00	\$ 382.50	\$ 382.50
Hotel Tax	3 staff / 3 nights / 1 trip / \$85 per night @ 15%	\$ 115.00	\$ 57.50	\$ 57.50
Meals	3 staff / 4 days / 1 trip / \$46 per day	\$ 552.00	\$ 276.00	\$ 276.00
Mileage		\$ -	\$ -	\$ -
Auto Rental		\$ -	\$ -	\$ -
Rental Gas		\$ -	\$ -	\$ -
Parking/Other	1 staff / 4 days / 1 trip / \$12 per day	\$ 48.00	\$ 24.00	\$ 24.00
Total Travel		\$ 16,047.00	\$ 8,023.50	\$ 8,023.50

Budget for Purchase of Service Contracts

3. Materials and Supplies

Contractor Texas Juvenile Justice Department
Contract No. 530-12-0224-00001 (#17-01)
Contract Period 10/1/2016 - 9/30/2021

Materials and Supplies (description and basis of cost)	A Total	B Reimbursable	C Other (Match)
Office Supplies (based on FY15 expenditures)	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00
includes pencils, pens, computer paper, copying paper, toners, paper clips, correction fluid, binders, file folders, file organizers, calendars			
Business cards - 3 boxes @ \$15/box	\$ 45.00	\$ 22.50	\$ 22.50
	\$ 2,045.00	\$ 1,022.50	\$ 1,022.50

*For monitoring purposes receipts and other detailed records must be kept on file.
 **Costs not allowable if already being paid by other sources.

Budget for Purchase of Service Contracts

5. Other Costs

Contractor Texas Juvenile Justice Department

Contract No. 530-12-0224-00001 (#17-01)

Contract Period 10/1/2016 - 9/30/2021

Other Costs (Description and Basis for Valuation)	A Total	B Reimbursable	C Other (Match)
SOAH Hearings - Prepaid Contracted Fee	\$ 500.00	\$ 250.00	\$ 250.00
State Office of Risk Management (SORM)	\$ 5,098.00	\$ 2,549.00	\$ 2,549.00
Training Registration Fees: 3 trainings / \$250 per training	\$ 1,500.00	\$ 750.00	\$ 750.00
		\$ -	\$ -
Total Other Direct Costs	\$ 7,098.00	\$ 3,549.00	\$ 3,549.00
Materials & Supplies	\$ 2,200.00	\$ 1,100.00	\$ 1,100.00
Printing & Reproduction	\$ 126.00	\$ 63.00	\$ 63.00
Repairs & Maintenance	\$ 1,525.00	\$ 762.50	\$ 762.50
Communication & Utilities	\$ 1,531.00	\$ 765.50	\$ 765.50
Rentals & Leases	\$ 836.00	\$ 418.00	\$ 418.00
Other Expenditures	\$ 1,500.00	\$ 750.00	\$ 750.00
Total Pooled Costs	\$ 7,718.00	\$ 3,859.00	\$ 3,859.00
County Administrative Contracts	\$ 3,223,586.00	\$ 1,611,793.00	\$ 1,611,793.00
		\$ -	\$ -
		\$ -	\$ -
		\$ -	\$ -
		\$ -	\$ -
Total Other	\$ 3,238,402.00	\$ 1,619,201.00	\$ 1,619,201.00

*For monitoring purposes receipts and other detailed records must be kept on file.

**Costs not allowable if already being paid by other sources

Title IV-E Interagency Agreement Contract (IAC)
Budget Narrative – FY2017
Contract #530-12-0224-0001 (Amendment #17-01)

DIRECT CHARGES

All direct charges are expenses for Title IV-E staff. A job description for each Title IV-E employee is attached along with an agency organizational chart. All costs associated with staff that do not perform Title IV-E task 100% of the time will be allocated based on a method to be determined and approved by DFPS prior to reimbursement.

1A. PERSONNEL - SALARIES **\$101,736.00**

The salaries listed are based on the average of each employee's salary (including longevity pay) for the preceding 12 months (09/2015 through 08/2016).

1B. PERSONNEL – FRINGE BENEFITS **\$ 38,569.21**

The fringe benefits being directly charged to the Title IV-E grant includes FICA and Medicare at a combined rate of 7.65%. The state of Texas retirement contribution is based on 9.5% of the employee's salary and a 1.0% agency match is paid to the Employees Retirement System's Group Benefits Program. TJJJD pays for insurance through United Healthcare at the rate of \$617.30 for employees only and \$854.10 for Employees and their children.

2. TRAVEL **\$ 8,023.50**

Travel expected to be charged to Title IV-E during fiscal year 2017 includes on-site visits to four (4) counties to conduct case file reviews which are required to determine the percentage of reasonable candidates for the administrative claims. The program and fiscal travel costs are related to on-site monitoring visits for an additional seven (7) counties.

3. MATERIALS AND SUPPLIES **\$ 1022.50**

Materials and supplies charges include business cards for three (3) staff members and consumable office supplies; funding is based on FY2015 expenditures.

4. EQUIPMENT **\$ 00.00**

No equipment expenditures are anticipated for FY2017.

5. OTHER COSTS – Total Other Direct Costs **\$ 3,549.00**

The State Office of Administrative Hearings (SOAH) provides TJJJD with an Administrative Law Judge to conduct all twelve (12) month permanency hearings. The current contract with SOAH requires a flat fee paid up front; the current fee paid for FY2017 is \$500.00

TJJJD contributes to the State Office of Risk Management (SORM) for worker's compensation.

Registration fees for professional development training are estimated for Title IV-E staff to participate in 3 trainings at the rate of \$250 per training.

**Title IV-E Interagency Agreement Contract (IAC)
 Budget Narrative – FY2017
 Contract #530-12-0224-0001 (Amendment #17-01)**

5. OTHER COSTS – *Total Pooled Costs* **\$ 3,859.00**

TJJD cost pools overhead expenses such as supplies, utilities, mailing services and repairs are based on the number of Title IV-E direct employees / average number of filled positions during each month of the quarter. The projection this year has been adjusted to account for only three staff being claimed as 100% IV-E reimbursable and one staff being claimed as 25% reimbursable.

Materials and Supplies include the following costs: general office supplies, reference materials, computer parts and equipment under \$5000, gasoline, and mailing services.

Repairs and Maintenance includes computer and equipment maintenance and vehicle maintenance.

Communications and Utilities include internet, phone services, and wireless services.

Rentals and Leases include storage rental, facility rental, copier rental and parking space rental.

Other Expenditures includes building fees, employee assistance programs, vehicle insurance and advertisements for job openings.

5. OTHER COSTS – *County Administrative Costs* **\$1,611,793.00**

Many counties have resumed claiming administrative costs and four are actively claiming reimbursement for “reasonable candidates.” It is anticipated that additional counties may also begin claiming these costs in FY2017. It is anticipated \$ 1,611,793.00 will be requested by county probation departments for administrative reimbursements.

FOSTER CARE COSTS **\$7,391,250.00**

Foster care costs projection based on 365 service days x unit rate of \$135.00 x 300 projected clients.

SUMMARY:

TOTAL FOSTER CARE COSTS	\$7,391,250.00
TOTAL DIRECT COSTS	\$1,768,552.21
TOTAL CONTRACT COSTS	\$9,159,802.21



DFPS Special Attachment

- I. **Payments.** Contractors must seek payment or adjustment to payments in accordance with the time limit specified in 45 CFR 95.1 (Code of Federal Regulations). This subpart establishes a two-year (eight quarter) time limit for a State to claim Federal financial participation in expenditures under State plans approved under Title IV-E and Temporary Assistance for Needy Families (TANF). Any bill or amended bill, which is submitted to DFPS later than seven quarters after the end of the quarter of the expense, will not be processed unless DFPS determines that submission for payment of the bill to the federal government can be executed in a proper and timely fashion.
- II. **Reporting Abuse, Neglect, or Exploitation.** Contractor will promptly report any suspected case of abuse, neglect, or exploitation to the appropriate authority as required by the Texas Family Code, Chapter 261. All reports must be made within twenty-four (24) hours of the discovery of abuse, neglect, or exploitation.
- III. **Testimony in Proceedings.** Contractor will require its employees to testify in judicial and administrative proceedings at the request of DFPS. To the extent possible, Contractor will also assist the Department in locating past employees, agents, volunteers, consultants, or subcontractors when DFPS requires past employees, agents, volunteers, consultants, or subcontractors to appear and testify in accordance with this subsection.
- IV. **Removal of Access.** Contractor will immediately remove access capabilities to any DFPS automated/internet-based application(s) or immediately notify DFPS that access to such applications needs to be terminated for an employee, subcontractor, or volunteer whose employment, subcontract, or volunteer term with Contractor has ended for any reason.
- V. **Cultural Competence.** Contractor will make reasonable efforts to provide services that meet the individual needs of the client. Contractor will develop and maintain a cultural competence plan that effectively provides services to people of various cultures, races, ethnic backgrounds, and religions in a manner that recognizes and affirms their worth, protects and preserves their dignity, and ensures equity of service delivery. Contractor will take into consideration the intellectual functioning, literacy, level of education, and comprehension ability of each client in order to ensure that all information is presented in a way that meets the individual needs of each client. Contractor will provide services in the client's primary language, whether provided directly by Contractor or through a translator.
- VI. **Subcontracting.** In addition to the subcontracting requirements listed in the Solicitation Document and HHSC Uniform Terms and Conditions, Contractor must also comply with the requirements of this Section. Contractor will be

responsible to DFPS for any subcontractor's performance under this Contract. Subcontractors providing services under the Contract will meet the same requirements and level of experience as required of Contractor. No subcontract under the Contract will relieve Contractor of responsibility for ensuring the requested services are provided. If Contractor uses a subcontractor for any or all of the work required, the following conditions will apply:

- (A) Contractors planning to subcontract all or a portion of the work to be performed will identify the proposed subcontractors.
- (B) Subcontracting will be solely at Contractor's expense.
- (C) DFPS retains the right to check subcontractor's background and approve or reject the use of submitted subcontractors.
- (D) Contractor will be the sole contact for DFPS and Contractor will list a designated point of contact for all Department inquiries.
- (E) **Subcontracts.** Contractor will include a term in all proposed subcontracts that incorporates this Contract by reference and binds subcontractor to all the requirements, terms, and conditions of this Contract related to the service being provided by the subcontractor, as well as explicitly hold that this Contract controls in the event of any conflict with subcontract. DFPS approval of Contractor's use of any subcontractor is conditioned upon the extent that any subcontract does not conflict with any requirements of the Contract between DFPS and Contractor.
- (F) **Payment to Subcontractors.** Pursuant to Chapter 2251 of the Texas Government Code, Contractor will make any payments owed to subcontractors within ten (10) calendar days of Contractor's receipt of funds from DFPS.

VII. DFPS Background Check Policy. Contractors will submit criminal abuse and neglect history information for background checks electronically through the DFPS Automated Background Check System (ABCS) according to the instructions in the user guide located at:

<http://www.dfps.state.tx.us/documents/PCS/ABCUserGuideFY09.pdf>.

- (A) **Disclosure and Release.** Contractor will disclose and release, or cause its employees, subcontractors, and volunteers with direct client contact and/or access to client records to disclose and release, any allegation made against that employee, subcontractor, or volunteer alleging the commission of:
 - 1) an act of abuse, neglect, or exploitation of children, the elderly, or persons with disabilities;
 - 2) criminal history or any current criminal indictment (for felonies) or information (for misdemeanors) involving an offense under the Texas Penal Code against:

- a) the person;
 - b) the family;
 - c) public order or decency;
 - d) public health, safety, or morals; or
 - e) property;
- 3) an offense under Chapter 481 of the Texas Health and Safety Code (Texas Controlled Substances Act); or
 - 4) any act or offense that can reasonably be associated with potential risk of harm or loss to the Department and/or its clients based on the job duties or contractual role(s) of the person in question at any time during the contract period.
- (B) **Method of Disclosure and Release.** This disclosure and release is required of all individuals who have, or will have, direct contact with clients and/or access to client records, prior to such contact or access and will be accomplished through the use of:
- 1) a criminal history background check;
 - 2) a DFPS abuse and neglect history check; and
 - 3) a signed disclosure and release by each person attesting to this information, which will be maintained by Contractor, available for review by the Department, and renewed at intervals not to exceed 24 months while the Contract is in effect.
- (C) **Direct Contact with Clients.** Contractor will prevent or promptly remove any employee, subcontractor, or volunteer from direct client contact and/or from access to client records who is alleged to have committed any act listed in this Contract. If it is determined with certainty that the person in question has not committed the acts or offenses alleged, that person may again be assigned to direct client contact and/or access to client records. However, the Contractor or subcontractor will notify the Department of its intent to do so no later than ten (10) business days and receive Department approval prior to the reassignment. Contractor or subcontractor must provide the Department with further information concerning the reasons for the reassignment upon the request of the Department. If the person in question is found to have committed any of the acts or offenses listed in this Contract, that person will not be reassigned to duties involving any direct contact with clients and/or access to client records.

VIII. **Limitation on Use of DFPS Seal and Name.** Contractor may not use the DFPS seal in any form or manner without the prior written approval of the Department. Contractor also may not use the name of DFPS to imply any endorsement, approval, or sponsorship of Contractor's goods or services by DFPS.

IX. DFPS Confidential Information. Contractor will not release confidential DFPS information to any party without the prior written approval of DFPS, including, but not limited to, records received or created by the Contractor that are identifiable to children or clients referred by the Department. Contractor will not use any information supplied by DFPS except for the purposes that the Department intends the information to be used. If Contractor stores, collects, or maintains any data, Contractor will only use such data internally for implementing this Contract.

- (A) Contractor will establish a method to ensure the confidentiality of records and other information relating to clients according to applicable federal and state laws, rules, and regulations.
- (B) Contractor will immediately notify DFPS of any unauthorized disclosure or use of any confidential information.
- (C) This section does not limit the Department's right of access to client case records or other information relating to clients served under this Contract. The Department will have an absolute right to access to and copies of such information, upon request.
- (D) If Contractor receives any request or demand for disclosure of confidential information by oral questions, documents, subpoenas, civil investigative demand, interrogatories, requests for information, or other similar legal process, Contractor will provide DFPS with prompt notice of such request (no later than two (2) business days) so that the Department may determine whether to seek an appropriate protective order and/or consent to Contractor's disclosure of the requested records. This subsection does not preclude the Contractor from asserting its own privileges or objections against release of confidential information to a third-party based on applicable law.
- (E) The provisions of this section remain in full force and effect following termination or cessation of the services performed under this Contract.

X. Notifications. Contractor will notify the Department immediately of any significant change affecting Contractor or this Contract, including, but not limited to, change of Contractor's name or identity, ownership, control, governing board membership, key personnel, any problem or potential problem associated with performance or services, or payee identification number. Contractor will also provide DFPS with any documentation or information related to a notification provided for under this section. Contractor will also notify DFPS of any lawsuit brought against Contractor related to the services provided for in this Contract. Unless otherwise noted in this Contract, Contractor will provide all notices in writing to the Department within ten (10) working days.

XI. Authority of Department Staff. DFPS staff are not authorized to sign non-DFPS forms unless those forms have received prior approval by the Department. DFPS is not bound by unauthorized staff actions in signing such forms.

XII. Complaint Reporting. Unless otherwise noted in this Contract, DFPS will contact Contractor when a complaint is received, and advise the Contractor whether DFPS will conduct an investigation or will coordinate with the Contractor for an investigation and a response. When DFPS requires the Contractor to conduct any part of the complaint investigation, Contractor must respond in writing to DFPS with all information and according to DFPS requirements and specified time frames. If Contractor is unwilling or unable to provide any information within the time required, Contractor will provide a written explanation for any information that Contractor does not submit, any applicable date by which Contractor will provide the information, and the detailed reasons why Contractor is unwilling or unable to provide such information.

XIII. Information Security Requirements. Contractor must comply with the following:

(A) The DFPS IT Security Policy located at:

http://www.dfps.state.tx.us/documents/PCS/Contractor_Information_Security.pdf

- (B) Health and Human Services Enterprise Information Security Standards and Guidelines
- (C) Title 1, Texas Administrative Code, Sections 202.1 and 202.3-.28
- (D) Texas Human Resources Code, Section 40.005
- (E) Texas Business and Commerce Code, Subchapter B, Sections 521.051-.053
- (F) Texas Family Code, Section 162.018
- (G) Texas Family Code, Subchapter C, Sections 261.201-.203
- (H) Texas Family Code, Section 264.408
- (I) Texas Family Code, Section 264.511
- (J) Texas Health and Safety Code, Section 85.115 and 40 TAC Section 1404
- (K) Title 40, Texas Administrative Code, Subchapter B, Sections 700.201-.209
- (L) Texas Health and Safety Code, Chapter 181 and 1 TAC Sections 391.1-.2
- (M) The Federal Information Security Management Act of 2002 (FISMA);
- (N) Publication 1075 – Tax Information Security Guidelines for Federal, State and Local Agencies;
- (O) NIST Special Publication 800-53 Revision 3 – Recommended Security Controls for Federal Information Systems and Organizations; and
- (P) NIST Special Publication 800-47 – Security Guide for Interconnecting Information Technology Systems.
- (Q) In addition to the requirements expressly stated in this Section, Contractor must comply with any other State or Federal law, regulation, or administrative rule relating to the specific DFPS program area that Contractor supports.

- (R) Upon reasonable notice, Contractor must provide, and cause its subcontractors and agents to provide, DFPS or its designee, prompt, reasonable, and adequate access to any information security records, books, documents, and papers that are directly pertinent to the performance of the Contract including, but not limited to:
- 1) Contractor information security policies;
 - 2) Contractor information security procedures;
 - 3) Contractor information security standards;
 - 4) Contractor information security guidelines;
 - 5) Contractor security plan in compliance with NIST Special Publication 800-53 Revision 3;
 - 6) Contractor security violation reports;
 - 7) Contractor employee security acknowledgement agreements; and
 - 8) Lists of Contractor's employees, subcontractors, and agents with authorized access to DFPS confidential information.
- (S) Items XIV(R)(1)-(8) above are subject to DFPS' review and approval. Neither DFPS' review or approval, nor its failure to review or approve, will relieve, waive, or satisfy any of Contractor's obligations under this Agreement.
- (T) Contractor will provide, and will cause its subcontractors and agents to provide, to DFPS, upon reasonable notice, written certifications of compliance with controls and provisions relating to information security, including but not limited, those related to confidential data transfers and the handling and disposal of Personally Identifiable Information (PII). Acceptable forms of written compliance may be, but are not limited to:
- 1) Statement on Auditing Standards No.70, Service Organizations (SAS-70) Report;
 - 2) General Security Controls Audit;
 - 3) Application Controls Audit;
 - 4) Vulnerability Assessment; and
 - 5) Network/Systems Penetration Test.

XIV. Unilateral Amendments. The Department reserves the right to amend the Contract through execution of a unilateral amendment signed by the DFPS Contract Manager and provided to the Contractor with ten (10) days notice prior to execution of the amendment under the following circumstances:

- (A) to correct an obvious clerical error in this Contract;
- (B) to change the Contract number;
- (C) to incorporate new or revised federal or state laws, regulations, rules, or policies;
- (D) to comply with a court order or judgment;
- (E) to update service level descriptions or daily rates;

- (F) to change the name of the Contractor in order to reflect the Contractor's name as recorded by the Texas Secretary of State or as required by law;
- (G) to change the designated DFPS mailing address for this Contract;
- (H) to change the designated Contractor mailing address for this Contract;
or
- (I) to change the recorded license number of any license needed under this Contract in order to reflect the current number as issued by the licensing authority.

XV. Additional Remedy. In addition to the contract management remedies reserved in the HHSC Uniform Terms and Conditions, DFPS, based on information from monitoring or other verifiable sources, expressly reserves the right to remove any subcontractor or employee of the Contractor from the provision of services under this contract.

XVI. Transition after Termination. At the end of the contract term or other contract termination or cancellation, Contractor will in good faith and in reasonable cooperation with the Department, aid in the transition to any new arrangement or provider of services. The respective accrued interests or obligations incurred to date of termination must also be equitably settled. Upon termination or expiration of this Contract, DFPS will work with Contractor to transfer all services as efficiently as possible with the goal to have all necessary services transferred by the effective date of the expiration or termination of the Contract. However, in the event that a transfer of all necessary services is not possible, Contractor will continue to provide necessary services in accordance with all terms and conditions of this Contract until all necessary client services are completely transferred.

XVII. DFPS Required Certifications. The certifications enumerated below represent material facts upon which DFPS relies when accepting a bid for this solicitation. If the Department later determines that Potential Contractor knowingly rendered an erroneous certification, DFPS may pursue all available remedies in accordance with Texas and U.S. law. Contractor further agrees that it will provide immediate written notice to DFPS if at any time Contractor learns that any of the certifications provided for below were erroneous when submitted or have since become erroneous by reason of changed circumstances. If the Contractor cannot certify the accuracy of all the statements contained in this section, Contractor must provide written notice to DFPS detailing which of the below statements it cannot certify and why. Contractor acknowledges its continuing obligation to comply with the requirements of the following certifications contained in its Proposal, and will immediately notify DFPS of any changes in circumstances affecting these certifications:

- (A) **Federal Certification Regarding Lobbying.** Federal law places restrictions on the use of federal funds in regard to lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

- 1) In accordance with 31 U.S.C. §1352, no federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- 2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned will complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.
- 3) The Contractor will require that the language of this certification be included in the award documents for subcontracts and that all subcontractors will certify and disclose accordingly.

(B) **Drug-Free Workplace Certification.** Contractor certifies that it will or will continue to provide a drug-free workplace by:

- 1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- 2) Establishing an ongoing drug-free awareness program to inform employees about—
 - a) The dangers of drug abuse in the workplace;
 - b) The grantee's policy of maintaining a drug-free workplace;
 - c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- 3) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement;
- 4) Notifying the employee in the statement that, as a condition of employment under the grant, the employee will—

- a) Abide by the terms of the statement; and
 - b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- 5) Notifying the agency in writing, within ten calendar days after receiving notice from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the federal agency has designated a central point for the receipt of such notices. Notice will include the identification number(s) of each affected grant;
- 6) Taking one of the following actions, within 30 calendar days of receiving notice, with respect to any employee who is so convicted—
- a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency;
- 7) Making a good faith effort to continue to maintain a drug-free workplace.