

Copy I.D.:

Procurement

Grant Number

4100060934

PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

GRANT AGREEMENT

PURPOSE OF

THE GRANT:

To provide counseling, referral, and other specified services for alternatives to abortion

AWARD TO:

Real Alternatives  
7810 Allentown Boulevard, Suite 304  
Harrisburg, PA 17112  
Kevin Bagata, President and CEO  
717-541-1112  
[ra-president@comcast.net](mailto:ra-president@comcast.net)

SAP VENDOR NO: VN 135033 F10# 23-2868660

# GRANT AGREEMENT

This GRANT AGREEMENT between the COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF PUBLIC WELFARE ("Department"), and **Real Alternatives**, a private, tax-exempt, non-profit corporation pursuant to Section 501(c) (3) of the Internal Revenue Code ("Grantee"), operating at **7810 Allentown Boulevard, Suite 304, Harrisburg, Pennsylvania 17112.**

WITNESSETH:

WHEREAS, the Department of Public Welfare, created by Act 390, approved July 13, 1957, P.L. 852, is responsible for the administration of public assistance programs in the Commonwealth (62 P.S. §403); and

WHEREAS, Section 205 of the Public Welfare Code, 62 P.S. §205, authorizes the Department to make grants of appropriated funds to programs in fields in which the Department has responsibility; and

WHEREAS, the Department expects to allocate **\$30,216,440** from funds appropriated for Expanded Medical Services; and

WHEREAS, the Grantee will operate the program described in detail in Rider 2 to this grant, which program meets the Department's standards; and

WHEREAS, the Grantee was selected to receive this grant in accordance with the Department's established grant policy and procedure.

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The term of this grant shall be from **July 1, 2012 through June 30, 2017.** The Department may in its own discretion, renew this agreement for two (2) additional one-year periods upon providing written notice to the Grantee.
2. The Grantee shall use the funds granted hereunder to faithfully implement the conditions of this grant and operate the program described in Rider 2, subject to the terms and conditions contained herein.
3. The services described in Paragraph 2 above shall be provided in conformity with:

- |         |                    |
|---------|--------------------|
| Rider 1 | Payment Provisions |
| Rider 2 | Work Statement     |
| Rider 3 | Budget             |

Rider 4      Standard Terms and Conditions for Grants  
Rider 5      DPW Addendum to Standard Contract Terms and Conditions

4. The Riders listed above, as they may be applicable to this grant, are hereby attached and made a part of this Grant Agreement.
5. Subject to the availability of State and Federal funds, the Department will pay the Grantee, in accordance with the terms of Rider 1, as soon as practical after the Grant Agreement has received final approval from all necessary parties. The total amount of this grant is **\$30,216,440.00** and no payments shall be made under this agreement in excess of that amount. At its discretion, the Department may increase or decrease this total grant amount through a revised Funds Commitment as a result of changes in applicable appropriations or allocations or certifications of available funds.
6. This Grant Agreement may be cancelled by the Department, in accordance with Paragraph 18 of Rider 4, upon thirty (30) days prior written notice.
7. This Grant Agreement contains all the terms and conditions agreed on by the parties. Any modifications or waivers of this agreement shall only be valid when they have been reduced to writing, duly signed, and attached to the original of this agreement. No other agreements, oral or otherwise, regarding the subject matter of this agreement, shall be deemed to exist or to bind any of the parties hereto.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have caused this Grant Agreement to be executed by its duly authorized officials.

**GRANTEE**

\_\_\_\_\_  
 SIGNATURE  
 PRINT OR TYPE NAME AND TITLE

*Carolyn M. Astfalk*  
 \_\_\_\_\_  
 SIGNATURE  
 PRINT OR TYPE NAME AND TITLE  
*Carolyn M. Astfalk*  
*Chairperson*

**COMMONWEALTH OF PENNSYLVANIA  
 DEPARTMENT OF PUBLIC WELFARE**

**Program Deputy Secretary**  
 \_\_\_\_\_  
*N/A*  
 SIGNATURE

*[Signature]*  
 \_\_\_\_\_  
 SIGNATURE  
**Secretary**  
 JUL 27 2012

**COMPTROLLER OPERATIONS**

I hereby certify that funds in the amount shown are available under the Appropriation Symbols shown

| AMOUNT              | SOURCE        | APPROPRIATION SYMBOL     | PROGRAM |
|---------------------|---------------|--------------------------|---------|
| <i>\$30,216,440</i> | <i>93.558</i> | <i>see coding sheet.</i> |         |
|                     |               |                          |         |
|                     |               |                          |         |

*Aita K. Shaffer* 8-15-12  
 \_\_\_\_\_  
 SIGNATURE COMPTROLLER

**Approved as to Legality and Form:**

*[Signature]*  
 \_\_\_\_\_  
 OFFICE OF LEGAL COUNSEL  
 DEPARTMENT OF PUBLIC WELFARE  
 8/8/12

*14-K-370*  
 \_\_\_\_\_  
 DEPUTY ATTORNEY GENERAL  
 OFFICE OF ATTORNEY GENERAL  
 (when required)

*14-K-370*  
 \_\_\_\_\_  
 DEPUTY GENERAL COUNSEL  
 OFFICE OF GENERAL COUNSEL  
 (when required)

**PAYMENT PROVISIONS**  
**Real Alternatives**  
**July 1, 2012 through June 30, 2017**

The Department agrees to pay the Grantee for services rendered pursuant to this Grant Agreement as follows:

1. Subject to the availability of state and federal funds and the other terms and conditions of this Grant, the Department will reimburse the Grantee in accordance with Rider 3 for providing the services described in Rider 2, up to a maximum amount of **\$30,216,440** as it may be adjusted pursuant to Paragraph 5 of the Grant Agreement, and no payments shall be made under this Grant in excess of that amount.
2. Payment to the Grantee in the amount stated in Paragraph 1, hereof, shall be made in accordance with the budget set forth in Rider 3 as follows:
  - A. The Grantee may invoice the Department on a quarterly basis. The grantee must indicate on each invoice submitted the Grant number, its Federal I.D. number, the period covered by the invoice, the name of the person preparing the invoice and the date submitted.
  - B. **Cash Needs Request:** Upon execution, the Grantee shall submit to the Department a cash needs request for the initial quarterly period. Thereafter, the cash needs request for each subsequent quarterly period shall be submitted to the Department sixty (60) days prior to the commencement of the quarter. All cash needs requests shall identify the estimated Administrative Costs and Services Costs, per funding source, for the quarterly period invoiced. The request must be justified by the Grantee and is subject to approval by the Department and the Department's Comptroller.
  - C. **Actual Expenditure Report:** Upon execution of this Grant, for each subsequent month of the Grant, an actual expenditure report will be submitted to the Department on or before the 20<sup>th</sup> of the following month. Each report shall cover the preceding monthly period and identify by line item, all Administrative and Services Costs, per funding source, as well as, all year-to-date expenditures. At termination of the Grant, the final monthly actual expenditure report will be submitted no later than the 75<sup>th</sup> day following the end of the Grant period. The report must be justified by the Grantee and is subject to approval by the Department and the Department's Comptroller.

D. Submission of invoices for purposes of reimbursement shall be made in accordance with Amended Commonwealth Management Directive 310.30, issued May 22, 2009, relating to the Pennsylvania Electronic Payment Program and the establishment of the Automated Clearing House Network ("ACH") as the Commonwealth's preferred method of payment.

1. The Department will make payments to the Grantee through ACH. Within 10 days of the grant award, the Grantee must submit or must have already submitted its ACH and electronic addenda information (obtained at [www.vendorregistration.state.pa.us/cvmu/paper/Forms/ACH-EFTenrollmentform.pdf](http://www.vendorregistration.state.pa.us/cvmu/paper/Forms/ACH-EFTenrollmentform.pdf)) to the Commonwealth's Payable Service Center, Vendor Data Management Unit at 717-214-0140 (FAX) or by mail to the Office of Comptroller Operations, Bureau of Payable Services, Payable Service Center, Vendor Data Management Unit, 555 Walnut Street – 9<sup>th</sup> Floor, Harrisburg, PA 17101.
2. The Grantee must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the Grantee to properly apply the state agency's payment to the respective invoice or program.
3. It is the responsibility of the Grantee to ensure that the ACH information contained in the Commonwealth's central vendor master file is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

3. The Grantee's budget as approved by the Department is attached to Rider 3 of this Agreement. For the purposes of this Agreement the term *line item* refers to each individual expense item in the budget. The term *Budget Category* refers to a grouping of similar line items. There are six Budget Categories: Administrative Personnel (which includes Salary/Wages, Other Personnel Costs, and Benefits), Administrative Operating, Administrative Equipment, Services Personnel (which includes Salary/Wages, Other Personnel Costs, and Benefits), Services Operating, and Services Equipment.

Reallocations of amounts within the Department's approved budget are subject to the following criteria:

- A. The Grantee may reallocate funds among line items within the budget categories of Administrative Operating and Services Operating up to ten

(10) percent of the Department's approved budgeted line amount for the grant period without prior written approval of the Program Manager.

- B. Except as otherwise provided in Section A above, Grantee may not reallocate funds within or between Budget Categories for any reason without prior written approval by the Program Office.

The Department will have the right to disapprove any expenditure made by the Grantee, which is not in accordance with this agreement, and adjust payment accordingly.

4. Grantee must make a written request for budget revisions to the Program Office no later than September 15th of every year in the grant period. The Program Office shall grant prior written approval in accordance with Paragraph 3 (above).
5. The Department shall have the right to disapprove any cash needs request and expenditures made by the Grantee which are not in accordance with the terms of this Grant Agreement and adjust the cash needs request and payment to the Grantee accordingly. Any duplication of payment requests for services rendered under this grant may result in termination of this Grant Agreement by the Department.
6. Payment for services will be made in accordance with Rider 3. Living and travel expenses may be reimbursed, but shall not exceed the agreed upon rates as set forth in Commonwealth Travel Rates, attached as part of Rider 5, as revised and updated.
7. Grantee shall account for all interest earned on the payments made under this Grant and use it for expenditures in accordance with the terms of this Grant Agreement. Interest income earned only may be used to increase services provided under this Grant, and may not be used for Administrative costs.
8. Seventy-five (75) days after the end of each State Fiscal Year included in the term of this Grant, the Grantee agrees to provide the Department with a final financial report and invoice of actual revenue and expenditures for the State Fiscal Year, per funding source. This invoice will be used to effect a State Fiscal Year financial settlement of this Grant. The Department will not compensate any expenditure not claimed by the final invoice.
9. In the event of earlier termination or cancellation, the Grantee shall submit the last actual invoice no later than sixty (60) days after notice to the Grantee of such termination or cancellation.
10. All unused funds and unused interest income earned on payments for

expenditures to the Grantee or its Subgrantees revert to the Department within seventy-five (75) days of termination of this Grant.

11. This Grant is subject to audit in accordance with Audit Clause A, which is incorporated into this Rider. Regardless of the level of audit conducted in accordance with Audit Clause A, the audit report shall include a Supplementary Schedule that consists of a Budget to Actual presentation in the same format and level of detail as Rider 3, Budget, including all updates and budget revisions/reallocations. This Schedule will be used for reconciliation and settlement purposes and should reflect all allowable and reimbursable costs associated with this Grant. The Supplementary Schedule, any Corrective Action Plan, and the Management Letter, if one was issued, shall be included in the audit report.



**WORK STATEMENT**

**Real Alternatives, Inc.**

*The term of this Grant shall be from July 1, 2012 through June 30, 2017.*

1. The Grantee must arrange for the provision of direct alternatives to abortion services, statewide, to clients requiring alternatives to abortion services. The Grantee shall serve an estimated total 17,500 eligible persons who will make an estimated total 65,000 visits **each of the State Fiscal Years noted above.** The grantee shall provide estimates for the forthcoming State Fiscal Year to the Department by March 30<sup>th</sup> for each State Fiscal Year during the term of this Grant. The following shows the funding source for these clients

|   |        |                  |
|---|--------|------------------|
| General Fund (State):                           | 14,500 | Eligible Persons |
|   | 55,500 | Visits           |
| Temporary Assistance for Needy Families (TANF): | 3,000  | Eligible Persons |
|   | 9,500  | Visits           |

2. To ensure compliance with Title VI of the Civil Rights Act of 1964, 42 U.S.C., §2000d, the Grantee must take reasonable steps to ensure that persons with Limited English Proficiency have meaningful access to the services described in the Work Plan.

3. Eligibility for Services Funded by TANF:

In accordance with the Appropriations Act for 2007-2008, services are available to supplement the alternatives to abortion services provided through the State General Fund for women with monthly incomes less than 185 percent of the Federal Poverty Income Guidelines.

4. Eligibility for Services Funded by the State General Fund:

Persons are eligible for Alternative to Abortion Services without regard to their income as long as they are residing in Pennsylvania. Eligibility must be assessed at each visit, and the client must affirm residency in writing, to confirm eligibility.

5. Program records shall be maintained at the Grantee's office and consist of reports of program and facilities reviews, meetings of the Grantee's Board of Directors, meetings with Subgrantee agencies and consumers, service records including computer generated information, service policies and procedures including related correspondence, organizational chart(s), personnel policies and procedures, job descriptions, personal services contract of the Grantee's Chief Executive Officer, and any other material relating to the provision of services. With the exception of the personal services contract of the Subgrantee's Chief Executive Officer, Subgrantees are responsible for maintaining these same documents on their premises.
6. The Grantee shall preserve program records as specified in the Audit Clause attached to this grant agreement. This provision is also applicable to all Subgrantees.
7. The Grantee agrees to cooperate and participate with the Department in periodic monitoring activities for the purpose of verifying that all Grant requirements are met. This includes, but is not limited to, verification of client eligibility, sound fiscal and administrative conduct/reports, and program/service delivery goals.
8. The primary responsibility for monitoring and inspections of Subgrantees rests with the Grantee. The Grantee shall submit documentation of such monitoring and inspections, along with its findings, to the Department quarterly. However, a brief written notification of those Subgrantees in non-compliance which could adversely impact the Grant, payment(s), or have media, legal, or legislative impact, shall be submitted to the Department within ten (10) working days of the monitoring/inspection visit.
9. All Subgrantee sites are monitored on-site at least once every three (3) years. If a Subgrantee has only one site, it is monitored on-site every year. If a Subgrantee has multiple sites, at least one site of each such Subgrantee is to be monitored on-site each year. The remaining sites to be monitored that year in accordance with the three-year rotation requirement may be monitored remotely.
10. The Grantee shall develop a monitoring instrument and appropriate Subgrantee site monitoring checklists with approval from the Department. The site monitoring checklists shall be submitted to the Department by August 31 of each State Fiscal Year of this Grant, and include, but not to be limited to, the following considerations:
  - A. The issues to be addressed by the Subgrantees and their service sites, accounting for any differences resulting from individual funding sources, and verified by the Grantee;

- B. The scope of the monitoring responsibilities of the Grantee;
  - C. The frequency and dates of the monitoring reviews of the Subgrantees, which assures that all Subgrantees are monitored onsite at least once every three years.
  - D. The documentation of monitoring activities, which shall be maintained by the Grantee.
11. The Grantee shall submit the administrative and statistical quarterly reports, for each State Fiscal Year, to the Department according to the following schedule:

| <u>Period</u>                   | <u>Due</u>   |
|---------------------------------|--------------|
| July - September                | November 15  |
| October - December              | February 15  |
| January - March                 | May 15       |
| April - June                    | August 15    |
| Final State Fiscal Year Summary | September 15 |

12. The quarterly administrative report will, at a minimum, provide information on the following activities of the Grantee, including any differences attributed to individual funding sources, according to the format provided by the Department:
- A. Monitoring activities completed;
  - B. Monitoring Report findings for each site monitored and subsequent corrective actions taken, if necessary;
  - C. Technical assistance provided;
  - D. Follow-up on site monitor findings for Subgrantees;
  - E. Direct service activities such as information/services provided or referrals made;
  - F. Significant Project(s) Status Report(s) including a brief narrative of projects described in the Work Plan, and any other significant projects or activities; and
  - G. Total Department Grant funds expended, by funding source, on Grantee administrative services.

13. The quarterly Statistical Report will, at a minimum, provide a total accounting of the following activities of the Subgrantees, per funding source provided through this Grant, according to the format provided by the Department.
- A. The number of clients seen, by their county of residence, and their age reported by the following age groups:
    - i. Less than 16 years old;
    - ii. 16 years old through 20 years old;
    - iii. 21 years old through 25 years old;
    - iv. 26 years old through 30 years old;
    - v. 31 years old through 35 years old;
    - vi. 36 years old through 40 years old;
    - vii. 41 years old through 45 years old; and
    - viii. 46 years old and older.
  - B. The number of visits by clients in the previously defined age categories, by type of visit; and
  - C. The number of hours of counseling and education provided, by Service Provider; and
  - D. The number of telephone calls received on the hotline and number of subsequent referrals to Subgrantees, by specific Subgrantee.
14. An annual statistical report in two parts, by funding source, is due to the Department's Program Manager by September 15th. The report will be submitted according to the format provided by the Department. It will include the total number of clients and the number of new clients served during both the State Fiscal Year and the calendar year concluded during the State Fiscal Year. The two parts of this annual statistical report are as follows:
- (A) Clients served by county of residence including the associated funds expended; and
  - (B) Clients served by Subcontractor including the associated funds expended.

14. Philosophy/Religion:

Neither the Grantee nor any Subgrantee shall promote the teachings or philosophy of any religion or religious organization while providing contracted service to the client.

15. The Grantee's Work Plan for this Grant follows. The Work Plan will be revised and updated annually during the term of this Grant, as approved by the Department.

**ALTERNATIVE TO ABORTION SERVICES PROGRAM  
FISCAL YEAR 2012/2013 to 2016/2017**

**REAL ALTERNATIVES  
7810 Allentown Blvd., Suite 304  
Harrisburg, PA 17112  
717-541-1112**

**WORK PLAN**

**INTRODUCTION**

Real Alternatives is a private tax-exempt non-profit corporation pursuant to Section 501(c) (3) of the Internal Revenue Code. Using its proprietary "Real Alternatives Program and Instructional Design" (RAPID)<sup>1</sup> system, Real Alternatives has administered the successful and nationally-recognized Alternative to Abortion Services Program ("Program") as the prime contractor for the Commonwealth of Pennsylvania since Fiscal Year 1997-1998.

The funding received by Real Alternatives through the Commonwealth of Pennsylvania Department of Public Welfare ("DPW") enables Real Alternatives to provide free, caring, confidential and comprehensive pregnancy, parenting and adoption support services that encourage a decision of childbirth over abortion, to Pennsylvania women and their families who are experiencing unplanned pregnancies. Those critical and extremely beneficial services are directly provided through a network of social service agencies, pregnancy support centers, maternity homes and adoption agencies.

Always striving to deliver quality, cost effective services to women, the Central Pennsylvania Business Journal recognized Real Alternatives administration system twice in 2002 and 2004 for its technological innovation and cost savings by being selected as a finalist for the Annual Nonprofit Innovation Award. In 2004, Real Alternatives was also one of the first four nonprofits to be awarded the prestigious Pennsylvania Association of Nonprofit Organizations (PANO) Seal of Excellence for meeting the 56 Standards of Excellence criteria for nonprofits. Then in 2007, Real Alternatives earned recertification for the PANO Seal of Excellence.

**Corporate Mission Statement**

Real Alternatives exists to provide life-affirming alternatives to abortion services throughout the nation. These compassionate support services empower women to protect their reproductive health, avoid crisis pregnancies, choose childbirth rather than abortion, receive adoption education, and improve parenting skills.

**Corporate Structure**

Real Alternatives is governed by a Board of Directors and a set of bylaws. The registered office of the corporation is 7810 Allentown Boulevard, Suite 304, Harrisburg, Pennsylvania 17112 and is listed as a Nonprofit Corporation Seal 1972. The business and affairs of Real Alternatives are managed by its Board of Directors. The Board hires and establishes the duties of a President & CEO, who is empowered by the corporation to carry out

the policies of the corporation, throughout all endeavors on behalf of the corporation. Except as otherwise required by Pennsylvania corporate law or other applicable laws, the entire control of the corporation (its management, affairs, and property) is vested in the Board of Directors of the corporation. Real Alternatives also has a National Advisory Council for technical assistance and assistance with projects that advance alternative to abortion services throughout the country. The current Board and Advisory Council Members are as follows:

#### **Real Alternatives Board of Directors**

Carolyn M. Astfalk, Chair  
Kevin I. Bagatta, Esquire, Pres/CEO  
Isis D. Rivera-Walsh, Ph.D.  
Diana L. Wert, R.N.

Matthew S. Wildasin, CPA, Treasurer  
Terence D. Dees, M.D.  
Anne Marie Manning, M.D.

#### **Real Alternatives National Advisory Council**

Pamela B. Pasquale, R.N.  
Marcella K. Schankweiler, Esquire  
William K. Thierfelder, Ed.D.

Myra D. Nicoletti  
Theresa H. Farnan, Ph.D.  
Thomas R. DeAngelis

#### **Real Alternatives Executive Staff**

Kevin I. Bagatta, Esquire, President & CEO  
Thomas A. Lang, Esquire, Vice President of Operations  
Clifford W. McKeown, Esquire, Director of Finance

#### **Staff Administration**

Management of the DPW agreement and maintenance of Program records will be carried out in the corporate office.

The executive staff of Real Alternatives is comprised of the President & CEO, the Vice President of Operations, and the Director of Finance. With the President & CEO having general oversight of corporate affairs, the Vice President of Operations will have the overall responsibility for satisfying all of the requirements of the DPW agreement and will serve as the primary point of contact between Real Alternatives and DPW.

Administrative personnel employed by Real Alternatives include a full-time Assistant Director of Finance, a part-time Accountant, and a part-time Bookkeeper.

Services support personnel employed by Real Alternatives include a full-time Quality Control Coordinator, a part-time Contract Compliance Specialist, a part-time Community Outreach Coordinator, and a part-time LIFE AID hotline Counselor (the Community Outreach Coordinator, Accountant, and Bookkeeper are also trained and serve as back-up LIFE AID hotline Counselors).

The five (5) full-time and five (5) part-time employees of Real Alternatives will devote varying amounts of their time to the Program to fulfill this contract. Only the actual time devoted to the Program by the employees of Real Alternatives is charged under this contract.

## CLIENT SERVICES PLAN

Real Alternatives, through its network of pro-life Service Providers, reaches out to each woman, no matter what her background or circumstances and without fee. (See, Tables 1 & 2) Compassionate trained counselors assess each woman's situation and assist her in developing a positive approach to her pregnancy. Support during the parenting or adoption decision involves counseling, education, material assistance, and referrals. By empowering women in a crisis pregnancy with this support, they no longer feel compelled to choose abortion out of a sense of helplessness, hopelessness, and of being completely alone. They come to learn that childbirth is a viable alternative to having to submit to an abortion that they really do not want in the first place.

More and more women choose not to abort once they are aware that resources exist to support their parenting or adoption decision. Advertising is imperative to inform women that such resources do exist in the Commonwealth. Depending upon the Program funding level, Real Alternatives will advertise statewide using television, radio, and other media that reach the greatest number of potentially pregnant women as effectively and efficiently as possible, and to the extent fiscally possible. This message of hope has been amplified, not only by Real Alternatives and its Service Providers, but also locally at County Assistance Offices, schools, and other state programs such as the Department of Health, and the Healthy Baby Hotline. Other concerned organizations have assisted in informing the women of Pennsylvania that there are alternative to abortion services available. Once a woman calls this number, she is promptly connected directly to the closest Service Provider to where she resides. (See, Table 3)

As Real Alternatives continues to inform women of the support available during their parenting or adoption decision, the Service Providers will continue to deliver the support services. Real Alternatives will continue to contract with the current 30 pro-life Service Providers (98 sites) located in 36 counties of the Commonwealth to serve the women and families of Pennsylvania. These sites consist of 49 social service agencies, 32 pregnancy centers, 14 maternity residences, and 3 adoption agencies. Although the location of the Service Providers' sites is based on the greatest demand for services, such as in highly populated cities, the Service Providers will continue to provide unique services and programs that reach out to the less populated rural areas via satellite centers and mobile programs.

As the demand for alternative to abortion services obviously continues to exist, Real Alternatives will continue, through its RAPID system, its unique funding mechanism with the Service Providers to meet that demand. Service Providers are reimbursed for the core and support services rendered to women pursuant to a fee-for-service model. The goal is that their earned reimbursements would enable the Service Providers to invest in their programs by opening more sites, as well as increasing the number of counselors specifically committed to provide these services. This unique funding method provides the resources to be able to continue serving more and more women and families in Pennsylvania.

While the Commonwealth experiences tight budget constraints, at the same time there is an ever-increasing demand for services across the state. Real Alternatives is prepared to meet the challenge of doing more with less most directly by placing an emphasis on the core services of the program over the support services to maximize the assistance given to pregnant women experiencing a crisis pregnancy so they can choose childbirth rather than abortion. To further ensure that funds are available for services to pregnant clients, reimbursement for



administrative time for filling out client data and outcome measurement collection may be adjusted or suspended with DPW approval.

The combined efforts of Real Alternatives, the network of Service Providers, and their referral resources such as schools, government agencies, and community organizations have brought compassionate alternative to abortion services and information that stabilized over 200,000 women to date throughout the Commonwealth, at over 985,000 visits.

The outcomes of this prevention and support services counseling Program will be that women facing crisis pregnancies in Pennsylvania receive support, achieve improved reproductive health, develop improved parenting skills, and receive adoption education, all of which will empower them to choose childbirth rather than abortion. These outcomes will in turn have a lowering impact on Pennsylvania abortions, and will be a factor in reducing medical costs<sup>2</sup>, improving women's health<sup>3</sup>, and obtaining overall savings for the taxpayers of Pennsylvania.

### **Specific Services Offered**

The Alternative to Abortion Services Program primarily provides core services consisting of information and counseling that promotes childbirth instead of abortion and assists pregnant women in their decision regarding adoption or parenting. The program also provides support services including client self-administered pregnancy test kits, baby food, maternity and baby clothing and baby furniture, as well as information, education, and referrals for other services for the needs of the women and newborn. The information and education provided includes topics regarding prenatal care, childbirth, adoption, parenting, and the use of abstinence to avoid unplanned pregnancies and sexually transmitted diseases.

The legislation for the Alternative to Abortion Services Program authorizes the Service Providers to be reimbursed for the free, approved alternative to abortion services they provide to women until childbirth and for up to 12 months post-partum. Services include, but are not strictly limited to:

- ◆ counseling
- ◆ pregnancy, childbirth, parenting, and abstinence classes
- ◆ adoption information; assistance with post delivery stress
- ◆ assistance with food, shelter, clothing, and obtaining health care
- ◆ other supportive programs and services for related outreach programs.

Service Providers participating in this Program will ensure that women who are pregnant, think they may be pregnant, or have a child under 12 months of age have access to the above mentioned services.

Real Alternatives, through the Service Providers, offers a comprehensive umbrella of core and support services that provide women direct support during and after the crisis pregnancy. This umbrella of services also includes programs to encourage new lifestyle choices to prevent crisis pregnancies in the future.

For those in a crisis pregnancy, there is direct counseling support during the parenting and adoption decision. Services include:

- ◆ support counseling and case management in a non-judgmental atmosphere
- ◆ education on fetal development through counseling, fetal models, books, pamphlets/brochures and audio/visual media
- ◆ information on the health and nutritional needs of pregnant women
- ◆ abortion information - what it is and what it does
- ◆ pre- and post-natal education
- ◆ pregnancy and certified childbirth classes
- ◆ access to information on medical care, hospital clinics, doctors, health care facilities, and other professional services
- ◆ assistance with identifying drug and alcohol programs, if needed
- ◆ adoption service information
- ◆ life-skill training for parenting and nutritional needs
- ◆ information on other available community social services
- ◆ tangible aid in the form of maternity clothes
- ◆ other programs for the physical and emotional needs of the women experiencing the stress of a crisis pregnancy.

For women who come to our Service Providers already having given birth, there is direct parenting or adoption support because of their decision not to abort. Their more limited services take the form of:

- ◆ parenting counseling and education through a variety of methods/materials
- ◆ education referrals for improving skills or obtaining a GED
- ◆ child care referrals
- ◆ mentoring
- ◆ information on Women Infants and Children (“WIC”) programs
- ◆ information on job service and vocational training programs.

For those who come to our Service Providers thinking they may be experiencing a crisis pregnancy but are unsure, client self-administered pregnancy test kits are always available. For those in this category who are found to be not pregnant, services include:

- ◆ information on the risks of sexually transmitted diseases
- ◆ relationship counseling
- ◆ decision making education
- ◆ chastity classes
- ◆ teen pregnancy prevention programs
- ◆ other counseling offered to modify risk-taking behavior.<sup>4</sup>

This umbrella of services allows Real Alternatives to provide direct support services so women do not feel the need to have an abortion now or in the future, as well as provide programs that work to prevent the circumstances that might lead to the perceived need for an abortion in the first place. With the ability to provide a wide range of readily available nearby services to Pennsylvania women, they are empowered to make more informed choices concerning their child, as well as begin to plan for a future that will include independence and self-sufficiency. The consistent provision of these services over a significant period of time provides a better opportunity for counselors to help women who desire to change their status from a dependent mother to an independent mother.

## Temporary Assistance for Needy Families ("TANF") Purposes

The Alternative to Abortion Services Program, as described in the PA TANF Plan, serves pregnant women, women who think they may be pregnant, and women who are parents of children under 12 months old. The vast majority of the women served are typically pregnant and unmarried, and/or parenting without a partner. Services to those women "maintains and encourages the formation" of stable, one-parent families at that particular point in their lives. The services provided also impart the same skills necessary in two-parent families. Imparting those skills helps to improve one's confidence in their parenting abilities and encourages the formation two-parent families in the future, if that is appropriate and possible for the woman and her baby.

### Service Providers

Providing alternative to abortion services is accomplished primarily by individuals taking the time to listen to the concerns of the women in crisis and supporting them. The quality of the service provided to these women is of utmost importance to Real Alternatives. This dedication to the quality of service is reflected in RAPID Service Provider Approval Process. Once a potential Service Provider expresses interest in becoming a provider for the program, the potential Service Provider is asked to provide preliminary evaluation information. The preliminary evaluation criteria required for potential service providers are that they:

- ◆ are a nonprofit organization with 501(c)3 tax exempt status
- ◆ operate an alternatives to abortion program that has a stated policy of actively promoting childbirth instead of abortion
- ◆ maintain a pro-life mission and agree not to promote, refer, or counsel abortion nor abortifacients as an option to a crisis or unplanned pregnancy
- ◆ are physically and financially separate from any entity that advocates, performs, counsels, or refers for abortion
- ◆ understand that the funding for alternative to abortion services under this program does not include funding for the provision, referral, or advocacy of contraceptive services, drugs, or devices
- ◆ provide core services consisting of information and counseling that promotes childbirth instead of abortion, and assists pregnant women in their decision regarding adoption or parenting
- ◆ are nondiscriminatory
- ◆ agree not to promote the teaching or philosophy of any religion or religious organization while providing program services to the client
- ◆ have been in operation a minimum of one year providing core alternative to abortion services to women in a crisis pregnancy
- ◆ provide abstinence education as the best and only method of avoiding unplanned pregnancies and sexually transmitted infections
- ◆ agree to serve all eligible clients, including those with Limited English Proficiency
- ◆ will annually verify that all staff and volunteers have current PA State Police and Child Abuse background check clearances
- ◆ maintain client confidentiality
- ◆ will submit their counselor training materials, and policies and procedures manual for evaluation
- ◆ do not charge a fee for services to eligible clients.

If these preliminary requirements are met, the potential Service Provider is sent information concerning the Program, and they must then provide additional documentation regarding its organization and operations, including:

- ◆ a copy of the IRS 501(c)3 tax-exempt determination letter
- ◆ a copy of the Corporate Articles of Incorporation and Amendments filed with the Commonwealth Secretary of State
- ◆ a copy of the Bylaws of the Corporation
- ◆ a copy of the Mission Statement
- ◆ written PA State Police and Child Abuse Background Check employee/volunteer clearances
- ◆ a policy and procedures manual to include a written confidentiality policy, nondiscrimination policy, Limited English Proficiency (“LEP”) policy, sexual harassment policy, abortion and abortifacient policy, and client grievance reporting policy
- ◆ board of directors or equivalent governing body
- ◆ counselor training materials
- ◆ staff orientation training materials
- ◆ statement of agreement to Charitable Choice Act guidelines
- ◆ proof of general liability insurance for sites where services are rendered, as well as automobile and workers compensation insurance.

Real Alternatives reviews these materials to ensure that the potential Service Provider has in place policies and procedures, including counselor training, to ensure the provision of quality pregnancy support services. If all criteria meets the approval of Real Alternatives’ staff reviewers, executives, and Board Chairman, Real Alternatives then inspects the physical sites, which must be handicapped accessible or have the capability to make special provisions for persons with disabilities. Following the site visit, PA Department of Public Welfare clearance of the new Service Provider is obtained and a Service Provider Agreement is signed.

### **Service Provider Training, Reimbursement, and Annual Site Monitoring**

Upon successful completion of the RAPID Approval Process, Real Alternatives provides RAPID Program training to the Service Provider counselors who will deliver the services pursuant to Program guidelines. The training includes Program history information, contract requirements, detailed training on the Program rules including instructions on the proper procedures for reporting information, billing and completing forms, an overview of the Spiritual Counseling Guidelines, and reminders concerning confidentiality issues. Only counselors who have received the RAPID Program training can participate in the Program.

In accordance with the RAPID Service Provider Agreement, Real Alternatives will reimburse the Service Provider for services provided to eligible clients at the rate of \$1.05 for each minute of counseling and referral provided; \$10.50 for each pregnancy test kit per client visit; \$2.00 for each Food, Clothing or Furniture Pantry visit (not to exceed 4 visits per client per pantry type) as long as each visit is accompanied by at least 20 minutes of counseling; \$21.00 for each class per client taught; and \$5.25 for administrative time spent completing a RAPID Billing Form only when funding levels

permit, which even when activated may be adjusted or suspended over the course of the fiscal year.

Real Alternatives annually monitors Service Providers' compliance with all Program requirements via Site Monitorings conducted by the Contract Compliance Specialist or other trained Real Alternatives site monitors. The Site Monitorings are conducted in accordance with a DPW-approved RAPID Site Monitoring Checklist. Following each Site Monitoring, corrective action is mandated and/or taken where required, and RAPID Site Monitoring reports are generated for DPW.

### **DELIVERABLES TO THE DEPARTMENT UNDER THE GRANT**

Real Alternatives will deliver the following program documents during each fiscal year of the grant with DPW who retains unrestricted authority to reproduce them in accordance with the Standard Grant Terms and Conditions for Services, paragraph 12:

- Four (4) Quarterly Cash Needs Request in accordance with Rider 1, Para 2A & B
- Twelve (12) Monthly Expenditure Report in accordance with Rider 1, Para 2C
- A Final Financial Report in accordance with Rider 1, Para 8
- A Latest Actual Invoice if submitted in accordance with Rider 1, Para 9
- An Annual Certified Public Accountant Report IAW Audit Clause A of this grant agreement Rider 1, Para 11
- Four (4) Quarterly Service Provider Monitoring Reports in accordance with Rider 2, Para 8
- A Service Provider non-compliance notification in accordance with Rider 2, Para 8
- Four (4) Quarterly Administrative and Statistical Reports in accordance with Rider 2, Para 11
- An Annual Statistical Report in accordance with Rider 2, Para 14
- Any Budget Revisions submitted in accordance with Rider 1, Para 3B
- Any Audit Reports conducted the Commonwealth (Standard Terms and Conditions for Services, Para15)

**FAITH-BASED ORGANIZATION POLICY** (Approved for use by DPW June 17, 2005)

The DPW contract with Real Alternatives states in Rider 2, Paragraph 14:  
"Philosophy/Religion: Neither the Grantee nor any subgrantee shall promote the teachings or philosophy of any religion or religious organization while providing contracted service to the client."

A faith-based service provider which includes among its activities worship, religious instruction, proselytization or other inherently religious programs cannot use PA Alternative to Abortion Services Program funds to conduct such inherently religious activities. Reimbursement is prohibited for worship services, prayer meetings, prayer with a client during the program visit or any form of proselytization, i.e., to recruit members to religious conversion.

If a Service Provider does engage in such activities with a client in the Alternative to Abortion Program, those must occur separately, in time or location, from services provided pursuant to the contract with Real Alternatives. By the way of example of what may constitute separateness in place, if a Service Provider occupies a building with a single entrance and provides counseling in one of its rooms, it may, with a signed request from a client, immediately after Program counseling, engage in spiritual or religious activity with the client in a separate room in the building with a different spiritual or religious counselor – a person other than the one who provided service under the contract.

An example of separation in time would permit a different spiritual counselor to meet with a client, if the client signs a request, after the counselor providing client services under the PA Alternative to Abortion Services Program leaves the room.

Participation by a client must be voluntary and the client must understand that refusal to participate in religious activities will not disqualify her from receiving services under the program. A request form must be provided to the client before any such religious activity occurs to assure that voluntary, informed consent is provided by the client.

A Service Provider under the contract may retain religious terms in its organization name, select its board members on a religious basis and include religious references in its organization's mission statements and other governing documents. It cannot, however, include any religious activity or program with client services and must certify to Real Alternatives that it complies with its contract requirements.

Approved for use by the  
Department of Public Welfare  
June 17, 2005

**THE PA ALTERNATIVE TO ABORTION SERVICES PROGRAM**  
**Guidelines & Limitations on Spiritual Counseling**

**Friendship Counseling - A Holistic Approach: Assessment of Client's Spiritual Needs**

Each woman seeking the services of a crisis pregnancy center comes as a unique individual. As such, her family, her education, her beliefs and her experiences shape her. In our efforts to assist her in finding the best possible solutions, we must take the time to know her and understand the pressures she faces.

A counselor needs to ask questions that will give insight into this woman's life. For example, her physical health is important. It is helpful to know if there are on going physical problems. Is she taking medication? Will a pregnancy affect her health? Does she have a physician?

Her emotional well-being is greatly affected by this crisis in her life. We must ask about her living arrangements and her activities such as work, church affiliations, and social groups. Which people in her life act as her emotional support system? A good counselor will ask about her relationship with her family. Is there stress there? How does the father of the baby fit into her life? Is it a strong relationship? How does her family react to him? How will they react to this pregnancy?

As important as other people are, we must be sure that the solutions are such that she can feel good about them for the rest of her life. Does she believe in God? What does she have faith in? How does her faith impact the choices she makes? These questions are not meant to promote a certain religion but to assess the role of religion in the woman's life. Does she have a faith resource that can act as a support during the crisis?

Also, this is an area that, if not explored and taken into account in finding solutions, could trigger strong emotional responses at a later time. A conversation on spiritual issues must be treated very carefully. A counselor should couch her responses, not as authoritarian, but as her own understanding or as her own experience.

These questions serve two purposes. First, it paints a picture for the counselor on this woman's value system. These values will impact all the decisions which will be made regarding this pregnancy. Understanding her views or values on abortion, adoption, marriage, foster care, single parenthood, and welfare is vital to helping her find the best solutions.

The second purpose, and perhaps more important reason for these questions, is that it helps clarify the woman's own mind. In a crisis situation, there is a need to fix the crisis as fast as possible. Helping the woman to think through all aspects of her situation will help ensure that the solutions she chooses are indeed ones that are best for her.

Approved for use by the  
Department of Public Welfare  
July 21, 1997

## **Restrictions & Procedures on Spiritual Counseling**

While providing any services under the program, as stated above, counselors are expected to only assess clients' spiritual needs but not meet them. Counselors can ask questions about how the client's faith background impacts her decisions, support system, and ability to cope with her current crisis, but they are not permitted to encourage clients to attend a certain church, or believe in a certain faith.

Counselors may provide clients a referral to a minister of the client's faith such as a rabbi, priest or pastor for further discussion her spiritual needs.

If the Service Provider offers spiritual counseling, post-abortion counseling, or bible study as a separate program, the counselor may, at the end of the counseling or other service provided under the Alternative to Abortion Services Program, inform the client of that separate program. If the client decides to accept the invitation to participate in the separate spiritual counseling program, post-abortion counseling program or bible study, she must sign a Spiritual Counseling Request Form.

Sometimes, due to the trust relationship established with the counselor during the crisis pregnancy, clients may seek religious and spiritual opinion and guidance from the counselor providing services under the Alternative to Abortion Services Program. Due to restrictions on the promotion of religion with government funding, counselors must explain that those "types of conversations are beyond the scope of what can be discussed while services are being provided." The counselor may offer her the option to receive spiritual counseling from a different spiritual counselor after the government-funded service is over. To do this, the client must sign a Spiritual Counseling Request Form.

Even if a client expresses a desire for prayer during the counseling sessions, counselors must explain that as a government-funded service, praying with clients is beyond the scope of what can be discussed while services are provided. A counselor may of course pray for the client any time so long as the prayer is not verbalized or done in a silent manner so as not to interrupt the counseling session or suggest that prayer is occurring.

### **Spiritual or Religious Educational Materials**

Educational materials of a religious or spiritual nature may be displayed at a center as long as the material is kept separate from the secular related educational material and is clearly marked. Again, this type of educational material is made available to the clients which she is free to choose or not. Educational materials of a religious or spiritual nature include any brochures, Bibles or other materials that clearly discuss faith issues and belief in God.

### **Spiritual Counseling Request Form – Counselor Presentation to Client**

When counseling a client under the PA Alternative to Abortion Services Program, a counselor may sense that the client is interested in or may need spiritual counseling beyond the scope of the contract with Real Alternatives. At this point the counselor can ask the following questions:

"Some people could benefit from additional counseling which is of spiritual nature but that is not part of this session today. Some of these counselors are here in this building and



some are in other organizations or churches. Is this something you would like to know more about?"

If the client responds affirmatively, the counselor should provide some names and contact information about those spiritual counselors, depending on the client's expressed faith background. If the client indicates that an on-site spiritual counselor is acceptable, then a Spiritual Counseling Request form must be provided to the client, with the Acknowledgment being explained out loud to the client. Refer to the Spiritual Counseling Request Form Acknowledgement which is provided as a sample at the end of this section, and is also provided in the Appendix of the Service Provider Program Manual.

After the client signs the request, the pregnancy counselor will arrange for the spiritual counselor to become involved with the client. This spiritual counselor is to be involved with the client only as a spiritual counselor, and must not confuse the client through any change in role by being involved later as a pregnancy support counselor with this client. The Service Provider shall 1) clearly and fairly present the availability of spiritual counseling and the request form to clients, and 2) clearly define roles relating to all counselors when spiritual counseling is provided on-site.

Approved for use by the  
Department of Public Welfare  
June 17, 2005

**RAPID SPIRITUAL COUNSELING REQUEST FORM - ACKNOWLEDGEMENT**

This Spiritual Counseling Request Form gives [SERVICE PROVIDER NAME] permission to offer services at your request that deal specifically with your spiritual needs. You will be able to obtain available pregnancy and parenting support services here at [SERVICE PROVIDER NAME] as long as you remain eligible, regardless of whether you choose to have spiritual counseling or not. By signing this form, you acknowledge that you have freely chosen to have spiritual counseling or services and that you have not been coerced, forced, or pressured into participating in spiritual counseling. You should know that your spiritual counselor cannot be the same person who provides you with pregnancy and/or parenting support counseling. As with all counseling here at [SERVICE PROVIDER NAME], the spiritual counseling will be confidential. You may choose to stop the spiritual counseling or spiritual services any time and for any reason and your decision will not affect your continued eligibility for pregnancy and parenting support services.

Do you understand this statement and do you have any questions? If you have no questions and are comfortable with signing this form, please read and sign the front of the form and I will sign the form also indicating that I have read this explanation to you about the spiritual counseling request process.

**Spiritual Counseling Request Form**

- 1) I, [NAME], know that I can get pregnancy and parenting support client services from [SERVICE PROVIDER NAME].
- 2) I also understand that I can request spiritual counseling, or attend spiritual services, or listen to a presentation about the spiritual activity of [SERVICE PROVIDER] or any other place before or after I receive such services from [SERVICE PROVIDER NAME]
- 3) I understand that I can obtain pregnancy and parenting support clients services without requesting or receiving spiritual counseling or attending spiritual services or listening to a presentation about the spiritual activity of [SERVICE PROVIDER].
- 4) I fully understand the ACKNOWLEDGEMENT on the top of this Spiritual Counseling Request Form that has also been read to me.
- 5) I have decided that I want to receive spiritual counseling, pray, attend spiritual services, listen to talk about spirituality or be a part of spiritual activity with employees, or volunteers (other than the employee or volunteer who delivered my pregnancy and parenting support client services) of [SERVICE PROVIDER NAME].
- 6) I am signing this Spiritual Counseling Request Form voluntarily and independent of any undue pressure or encouragement. I know that I can leave spiritual counseling, services, or presentations at any time or refuse to participate. If I do leave or refuse to participate in spiritual counseling, spiritual services or presentations of any kind, [SERVICE PROVIDER NAME] will still provide available pregnancy and parenting support client services to me as long as I remain eligible.

|             |  |
|-------------|--|
| <i>Date</i> | <i>Client Signature</i>  |
| <i>Date</i> | <i>PA Alternative to Abortion Service Provider Counselor Signature</i> |

Approved for use by the  
 Department of Public Welfare  
 June 17, 2005

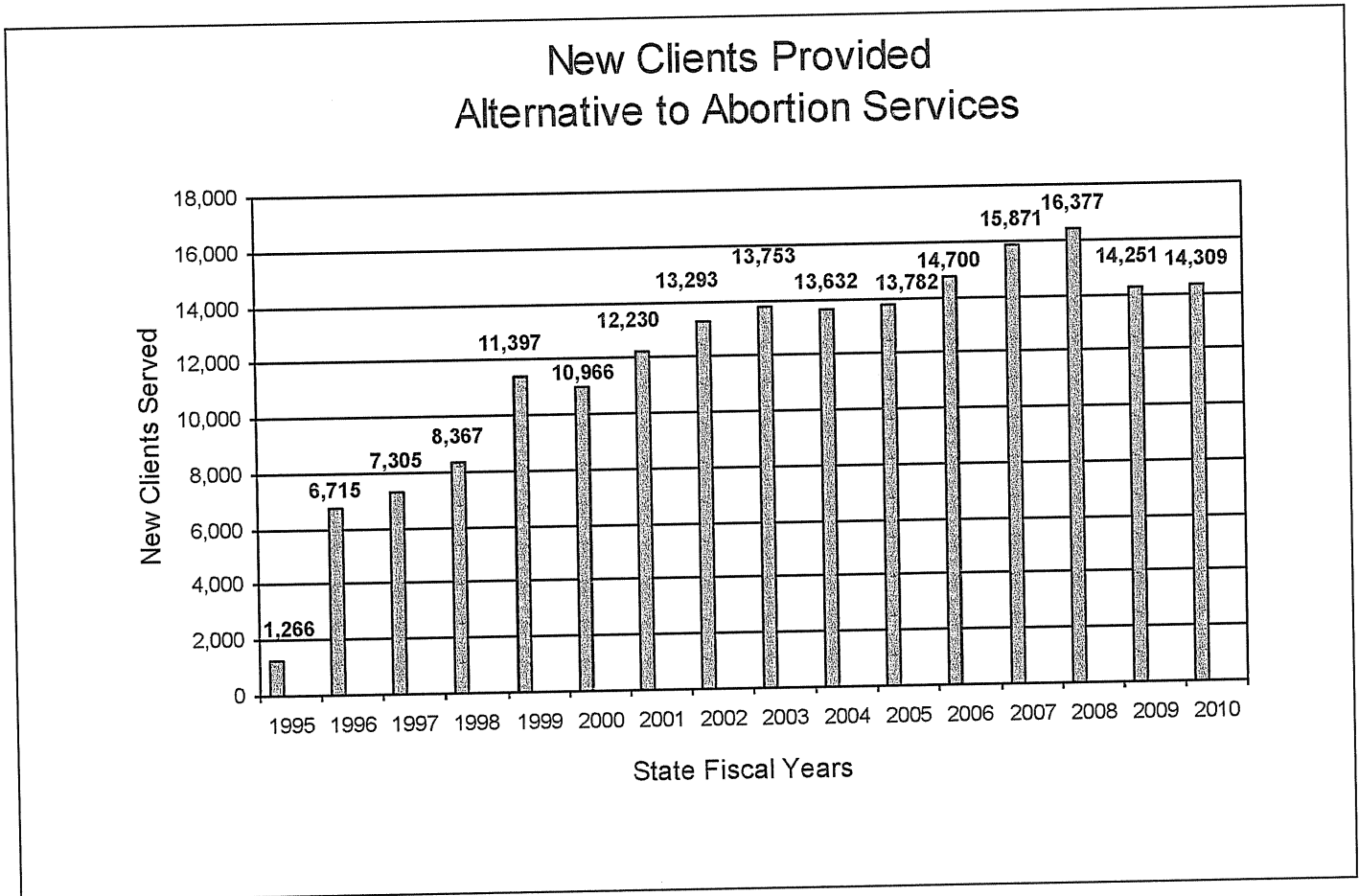
## FUNDING AND ACCOUNTABILITY

For fiscal year 2012 – 2013, both state funds and federal Temporary Assistance for Needy Families Block Grant (“TANFBG”) funds will be used in the performance of the Alternative to Abortion Services Program. Through the appropriation, TANFBG funds are appropriated to the program and “are dedicated for services to women whose gross family income is below 185% of the Federal Poverty Guidelines.” As such, services provided to TANFBG clients will be funded with federal monies. State funds, which have no income eligibility restriction, will be used for all other services regardless of the client’s income.

### TABLES

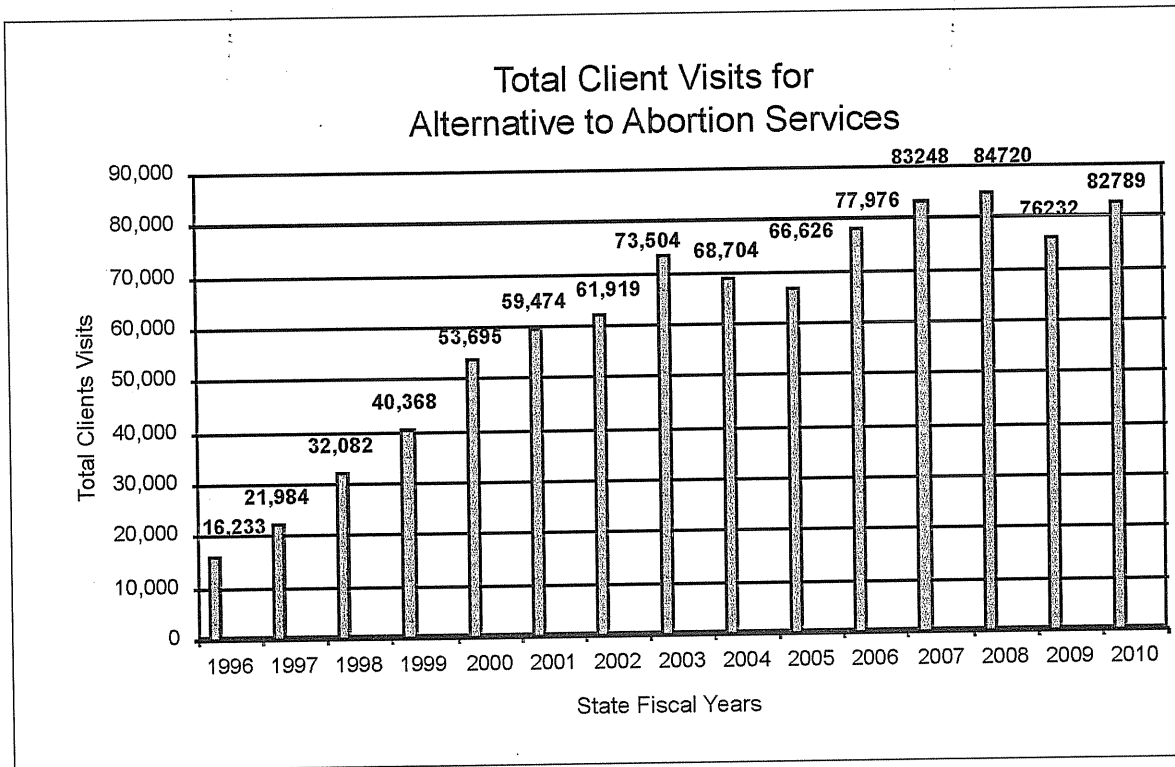
**TABLE 1**

**FY 1995/96 – 2010/011 > Number of new clients by fiscal year**



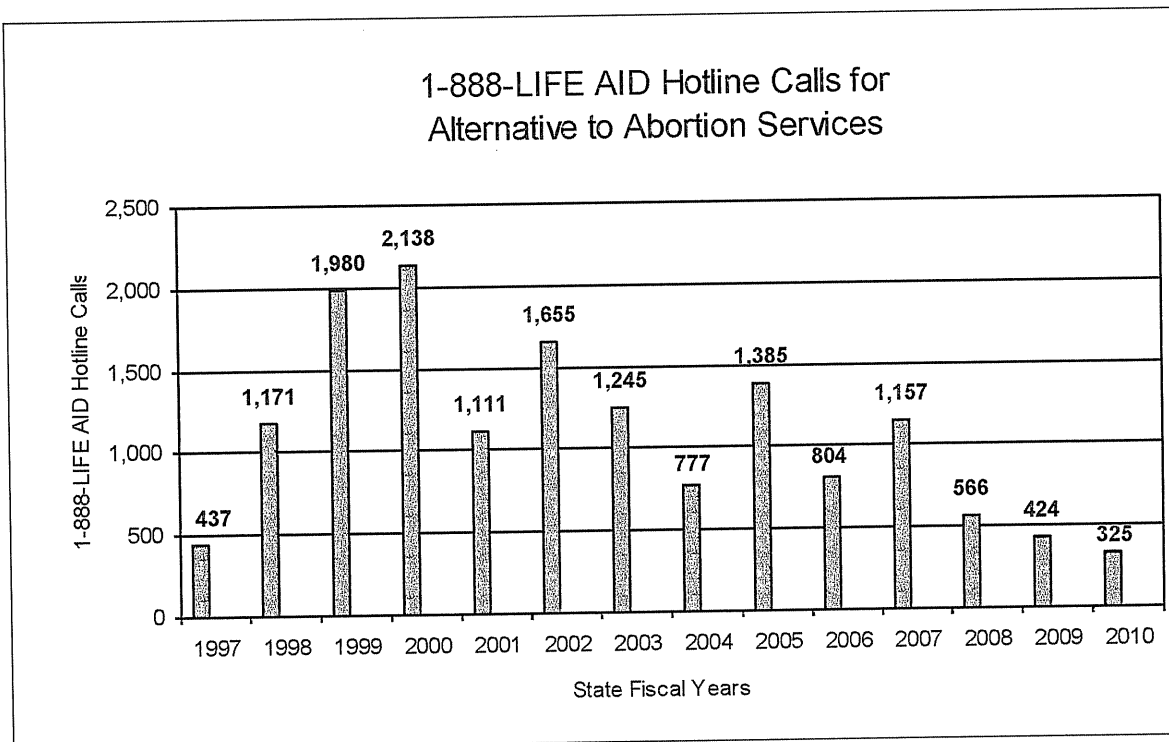
**TABLE 2**

FY 1995/1996 – 2010/2011 > Total client visits by fiscal year



**TABLE 3**

FY 1995/1996 – 2005/2006 > Total number of LIFE AID hotline calls received by fiscal year



## ENDNOTES

<sup>1</sup> The RAPID system includes copyrighted and proprietary information and material which is the exclusive property of Real Alternatives: all software, documents, checklists, staff training materials, service provider program manuals, billing systems, and program management tools used to administer a statewide Alternative to Abortion Services Program.

<sup>2</sup> Often when faced with a crisis pregnancy, women delay prenatal care resulting in low birth weight babies that increases health care cost and high infant mortality rates. National Prevention Council, *National Prevention Strategy*, Washington, DC: U.S. Department of Health and Human Services, Office of the Surgeon General, 2011  
A prior first trimester induced abortion has been found to be an irreversible risk factor associated with preterm birth. *Immutable Medical Risk Factors Associated with Preterm Birth*. Preterm Birth: Causes, Consequences, and Prevention. Institute of Medicine, 2007, pp. 625.

In addition, for every \$1.00 spent on prenatal care, approximately \$3.38 to \$11.00 could be saved in Neonatal Intensive Care Unit costs. "Preventing Low Birth Weight Summary", *Committee to Study the Prevention of Low Birth Weight, Division of Health Promotion and Disease, the Pennsylvania Department of Health*. The United States currently spends just \$1 to prevent sexually transmitted diseases for every \$43 spent treating the 12 million cases diagnosed each year... teenagers suffer a staggering 3 million cases a year. "STDs are Labeled Hidden Epidemic", *The Harrisburg Patriot*, Nov. 20, 1996, A5. STDs cost the U.S. health care system \$17 billion every year—and cost individuals even more in immediate and life-long health consequences. *Sexually Transmitted Disease Surveillance Report 2010*, Centers for Disease Control and Prevention.

<sup>3</sup> Lowering abortions can lower the incidence of breast cancer. A Turkish study done between 2000 and 2006 showed induced abortion significantly associated with increased breast cancer. *World Journal of Surgical Oncology* 2009, 7:37 doi:10.1186/1477-7819-7-37 This article is available from: <http://www.wjso.com/content/7/1/37> © 2009 Ozmen et al; licensee BioMed Central Ltd.

In a study of eight European countries, researchers concluded that the increase in breast cancer incidence appears to be best explained by an increase in abortion rates and lower fertility. *The Breast Cancer Epidemic: Modeling and Forecasts Based on Abortion and Other Risk Factors*, *Journal of American Physicians and Surgeons*, Vol. 12, No. 3, Fall 2007, pp. 72-78.

A study of 1,451 women who developed breast cancer before the age of 40 had a 90 percent increase in the incidence of breast cancer if they aborted their first pregnancy versus those women who delivered their first baby. "An Early Abortion and Breast Cancer Risk Among Women Under Age 40," Howe, H.L., Bzduch, H., Hezfeld, P., *International Journal Epidemiology*, 18:300-304. Additionally, women under age 18 who had an abortion after the eighth week of pregnancy increased their risk of breast cancer by 800 percent. "Risk of Breast Cancer Among Young Women: Relationship to Induced Abortion", *Journal of the National Cancer Institute*, 88:21, November 2, 1994. There is an overall 30 percent risk increase attributable to induced abortion based on meta-analysis of 30 years of studies. Brind, et al. (1997), *J. Epidemiol Community Health* 50:481-496. According to Dr. Angela Lanfranchi, abortion causes breast cancer in about 5% of women who have an abortion. This results in approximately 10,000 cases a year of breast cancer that can be attributed to abortion. After an induced abortion, the female is exposed to very high levels of mitogen and estrogen. This would leave her breast with more places for cancers to start. "The Breast Physiology and the

Epidemiology of the Abortion Breast Cancer Link”, *Imago Hominis*, 2005, pp. 228-236. The Breast Cancer Prevention Institute claims that the more estrogen a woman is exposed to in her lifetime, the higher her risk for breast cancer. Abortion in women under 18 and over 30 years old carries the greatest risk of getting breast cancer. “The Biologic Cause of the Abortion Breast Cancer Link: The Physiology of the Breast”, *Breast Cancer Prevention Institute*, May 2004 (revised). Studies have shown that women who have ever used early formulations of oral contraceptives and who also have a first-degree relative with breast cancer may be at a particularly high risk for breast cancer. Women with a strong family history who have used more recent lower-dosage formulations of oral contraceptives should be advised of the risks regarding oral contraceptive use and breast cancer. “Oral Contraceptives and Breast Cancer: A Note of Caution for High-Risk Women”, *The Journal of the American Medical Association*, Vol. 284, No. 14, October 11, 2000, pp. 1-6.

A 2009 study reports that oral contraceptive use contributes to younger women developing breast cancer particularly a type called triple-negative that is aggressive, more difficult to treat and has higher mortality rates. Among women < 40 years of age, the risk for breast cancer overall, and the risk of non-triple-negative breast cancer increased with younger age at first use. Dolle, Jessica M. and Daling, Janet R. *Risk Factors for Triple-Negative Breast Cancer in Women Under the Age 45 Years*. *Cancer Epidemiology, Biomarkers & Prevention* 2009; 18(4) April 2009, pp. 1157-1166.

Those who abort a first pregnancy are at a greater risk of subsequent long term clinical depression.... (Summer 2003) “Clinical Depression Linked to Abortion”, *British Medical Journal*, 1992, pp. 151-152. Results of a New Zealand study suggest that women who experience distress as a result of having an abortion are more likely to have subsequent mental health problems. *Reactions to abortion and subsequent mental health*, *The British Journal of Psychiatry*, May 2009, Vol. 195, pp.420-426

Abstinence education meets the two-prong goal of lowering unintended pregnancies and sexually transmitted diseases. While going through a process of emotional growth in adolescence, teens frequently get involved in risky sexual behaviors that expose them to unintended pregnancy and sexually transmitted infections. Researchers have found that abstinence-only sex education intervention programs are effective in the prevention of unintended adolescent pregnancies. “Adolescent Pregnancy Prevention: An Abstinence-Centered Randomized Controlled Intervention in a Chilean Public High School”, *Journal of Adolescent Health*, 2005, pp. 64-69. Promising programs to improve reproductive health outcomes include those that focus on early childhood investments, that involve teens in school and in outside activities (including youth development in combination with sexuality education and community volunteer learning), and those that send nurses to visit teenage mothers, which reduce their chances of becoming pregnant again. “Preventing Teenage Pregnancy, Childbearing, and Sexually Transmitted Diseases: What Research Shows”, *Child Trends Research Brief*, May 2002, pp. 1-10. True abstinence education programs help young people to develop an understanding of commitment, fidelity, and intimacy that will serve them well as the foundations of healthy marital life in the future. Abstinence education programs have repeatedly been shown to be effective in reducing sexual activity among their participants. “The Effectiveness of Abstinence Education Programs in Reducing Sexual Activity Among Youth”, *The Heritage Foundation*, April 8, 2002, pp. 1-12. The Institute for Research and Evaluation conducted more than 100 evaluations of abstinence education interventions in 30 states over the past 15 years and found that well-designed and well-implemented abstinence education programs can reduce teen sexual activity by as much as one-half over a period of one to two

years. *Abstinence*” or *“Comprehensive” Sex Education?* The Institute for Research and Evaluation, 2007.

The Birth Control Pill, Norplant, IUD, diaphragm, cervical cap, sponge, Depo-Provera and spermicides do not protect against STDs. “Preventing STDs,” Wills, Judith Levine, *FDA Consumer*, Publication No. (FDA) 94-1210, June 1993. Latex Condoms may reduce but cannot eliminate the risks of contracting STDs. “Sexually Transmitted Diseases”, Nestor, Lynn Paige, MSN, and O’Connell, Michelle Brott, BSN, *U.S. Department of Health & Human Services, Public Health Service*. U.S. Food and Drug Administration tests designed to measure the leakage of viral particles through latex condoms reveal significant leakage of HIV-sized particles under some conditions for one-third of the condoms tested. *Sexually Transmitted Diseases*, July - August, 1992, 194, 230-234. A U.S. government study recently revealed no proof that condoms prevent the transmission of the most common sexually transmitted infections, including gonorrhea, chlamydial infection, trichomoniasis, genital herpes, syphilis, chancroid, and HPV-associated diseases. “Workshop Summary: Scientific Evidence of Condom Effectiveness for Sexually Transmitted Disease (STD) Prevention,” *National Institutes of Allergy and Infectious Diseases, National Institutes of Health, Department of Health and Human Services*. July 20, 2001. There's no absolute guarantee that a person won't get a sexually transmitted disease even when using a condom.

<http://www.fda.gov/ForConsumers/byAudience/ForPatientAdvocates/HIVandAIDSactivities/ucm126372.htm> accessed 5/31/12 Page Last Updated: 07/22/2010

A large number of teens and some adults may be engaging in oral sex to prevent pregnancy and sexually transmitted diseases. However, a report from the National Center for Health Statistics (a division of the CDC) cited evidence that HIV, gonorrhea, Chlamydia, chancroid, and syphilis can all be transmitted through oral sex. “Oral Sex is Common Among Teens to Prevent STDs and Pregnancy”, *MedPage Today*, September 16, 2005, pp. 1-4. Herpes, gonorrhea, syphilis, hepatitis A, B, and C, and HIV all can be transmitted through oral sex.

<http://teens.webmd.com/rm-quiz-safe-sex> accessed 5/31/12 Page last Reviewed by Brunilda Nazario, MD on August 26, 2011.

When compared to teens that are not sexually active, teenage boys and girls who are sexually active are significantly less likely to be happy and more likely to feel depressed. Also, when compared to teens that are not sexually active, teenage boys and girls who are sexually active are significantly more likely to attempt suicide. “Sexually Active Teenagers Are More Likely to be Depressed and to Attempt Suicide”, *The Heritage Foundation*, June 2, 2003, pp. 1-8.

Females with a history of casual sex report most depressive symptoms. For females, as the number of sexual partners increase, depressive symptoms increase as well. *No Strings Attached: The Nature of Casual Sex in College Students*, *The Journal of Sex Research*, Vol. 43, No. 3, August 2006, pp. 255-267. STDs are one of the most critical health challenges facing the nation today.

A CDC study estimated that 1 in 4 (26%) young women between the ages of 14-19 years old in the United States are infected with at least one of the most common sexually transmitted diseases. Nationally Representative CDC Study Finds 1 in 4 Teenage Girls Has a Sexually Transmitted Disease, *2008 National STD Prevention Conference*, Press Release, March 11, 2008.

Pregnancy does not provide women or their babies any protection against STDs. The consequences of an STD can be significantly more serious, even life threatening, for a woman and her baby if the woman becomes infected with an STD while pregnant. It is important that women be aware of the harmful effects of STDs and know how to protect themselves and their children against infection. <http://www.cdc.gov/std/pregnancy/STDFact-Pregnancy.htm> accessed 5/31/12. Page last updated: February 27, 2012 Content source: Centers for Disease Control and Prevention, National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention, Division of STD Prevention

<sup>4</sup> 44% of teen women who use contraception rely on the pill which offers no protection against STDs. "Contraceptive Use", *The Alan Guttmacher Institute*, 2000, pp. 1-6. Girls who begin sexual activity at earlier ages and have high numbers of non-marital sex partners are far more likely to have a wide variety of negative life outcomes including: increased rates of infection with sexually transmitted diseases, out-of-wedlock pregnancy and birth, increased single parenthood, decreased marital stability, increased material and child poverty, increased abortion, increased depression and decreased happiness. "The Harmful Effects of Early Sexual Activity and Multiple Sexual Partners Among Women: A Book of Charts", *The Heritage Foundation*, June 23, 2003, pp. 1-25. Many people do not take the necessary precautions to avoid contracting an STD because they feel they're not at risk. However, in 2000 there were more than 18.9 million new STD infections diagnosed. A recent survey showed that 93% of people said they believed their current or most recent partner didn't have an STD, yet about 1 out of 3 people have never discussed STDs with their partner. "Survey Suggests Lack of Awareness Heightens Risk for Sexually Transmitted Diseases", *American Social Health Association*, April 6, 2004, pp. 1-4. Nearly half of new STD cases are among people ages 15-24, even though these youth make up only a quarter of the sexually active population. Half of new HIV infections occur among youth ages 15-24. One out of two youth will acquire an STD before the age of 25. "Our Voices, Our Lives, Our Futures: Youth and Sexually Transmitted Diseases", *School of Journalism and Mass Communication (University of North Carolina at Chapel Hill)*, February 2004, pp. 1-25. Human Papillomavirus (HPV) is the most prevalent of all viral sexually transmitted infections. Recent estimates indicate that 50-75% of sexually active adults are HPV positive. Because HPV is a viral infection, there is no curative treatment available. "Human Papillomavirus: A Major Unrecognized Epidemic", *The Medical Institute*, January 22, 2004, pp. 2-7. Approximately 20 million Americans are currently infected with HPV. Another 6 million people become newly infected each year. HPV is so common that at least 50% of sexually active men and women get it at some point in their lives. <http://www.cdc.gov/std/hpv/stdfact-hpv.htm> accessed 5/31/12 Page last updated: February 15, 2012 Content source: Centers for Disease Control and Prevention, National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention



**BUDGET SUMMARY  
Real Alternatives  
ESTIMATED ANNUAL BUDGET SUMMARY**

July 1, 2012 through June 30, 2013  
July 1, 2013 through June 30, 2014  
July 1, 2014 through June 30, 2015  
July 1, 2015 through June 30, 2016  
July 1, 2017 through June 30, 2017

|                     |                    |
|---------------------|--------------------|
| Administrative Cost | \$ 604,329         |
| Subgrantee Cost     | \$5,438,959        |
| <b>TOTAL</b>        | <b>\$6,043,288</b> |

| <u>Funding Source</u><br>(Federal)                | <u>Appropriation</u> | <u>Funds</u>       | <u>CFDA #</u> |
|---|----------------------|--------------------|---------------|
| Temporary Assistance for<br>Needy Families (TANF) | 527                  | \$1,000,000        | 93.558        |
| <b>Total Federal Funds</b>                        |                      | <b>\$1,000,000</b> |               |
| <b>(State)</b><br>General Fund                    | 254                  | \$5,043,288        | N/A           |
| <b>Total State Funds</b>                          |                      | <b>\$5,043,288</b> |               |
| <b>TOTAL GRANT</b>                                |                      | <b>\$6,043,288</b> |               |

1. For the general administrative services of the Grantee, up to an estimated total amount of \$604,329. This funding is composed of:

|  |           |
|--|-----------|
| (A) Temporary Assistance for Needy Families (TANF) | \$100,000 |
| (B) General Fund                                   | \$504,329 |

2. For the provision of direct client services by the Grantee and the Subgrantees, up to an estimated total amount of \$5,438,959. This funding is composed of:

- (A) Temporary Assistance for Needy Families (TANF) : \$ 900,000
- (B) General Fund \$4,538,959

3. The total estimated Grant amount for each Fiscal Year is \$6,043,288.  
The total estimated Grant amount is \$30,216,440.

4. Distribution of the following funding sources shall be in accordance with the specific requirements of such funding sources.

(A) Temporary Assistance for Needy Families (TANF):

These funds shall be used in accordance with the current Pennsylvania TANF State plan.

(B) State General Fund:

These funds shall be used for grants to nonprofit agencies whose primary function is to assist pregnant women seeking alternatives to abortion. Such funds shall be expended to provide services to such women until childbirth and for up to 12 months thereafter, including, but not limited to, food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for post delivery stress and other supportive programs and services and for related outreach programs. Such agencies may subcontract with other nonprofit entities which operate projects designed specifically to provide all or a portion of the foregoing services. Projects receiving such funds shall not promote or refer for or perform abortions or engage in any counseling which is inconsistent with this appropriation and shall be physically and financially separate from any component of any legal entity engaging in such activities.

5. No fees shall be imposed upon a recipient of service funded by this Grant other than those approved by the Department.

6. The following pages are the line item budget for each of the annual State Fiscal Years of this Grant.

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**Budget**  
**July 2012 - June 2013**

|                      | State<br>Budgeted<br>Dollars | TANF<br>Budgeted<br>Dollars | Total<br>Dollars    |
|----------------------|------------------------------|-----------------------------|---------------------|
| Administrative Costs | \$ 504,329                   | \$ 100,000                  | \$ 604,329          |
| Services Costs       | \$4,538,959                  | \$ 900,000                  | \$ 5,438,959        |
| <b>Total Cost</b>    | <b>\$5,043,288</b>           | <b>\$1,000,000</b>          | <b>\$ 6,043,288</b> |
|                      | 0.8345                       | 0.1655                      | 1.00000             |

**Sources of Funds:**

|   |                     |
|---|---------------------|
| Women's Service Programs: Appropriation 155 | \$ 5,043,288        |
| TANF BG: Appropriation 738                  | <u>\$ 1,000,000</u> |
| Total                                       | \$ 6,043,288        |

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|    | A                               | B                                  | C                     | D                    | E                   |
|----|---------------------------------|------------------------------------|-----------------------|----------------------|---------------------|
| 1  |                                 |                                    |                       |                      |                     |
| 2  |                                 |                                    |                       |                      |                     |
| 3  | <b>July 2012 - June 2013</b>    |                                    |                       |                      |                     |
| 4  | <b>ESTIMATED SERVICES COSTS</b> |                                    |                       |                      |                     |
| 5  |                                 |                                    | <b>State Budgeted</b> | <b>TANF Budgeted</b> | <b>Total</b>        |
| 6  |                                 | <b>Cost Category</b>               | <b>Dollars</b>        | <b>Dollars</b>       | <b>Dollars</b>      |
| 7  |                                 |                                    |                       |                      |                     |
| 8  | 1                               | <b>PERSONNEL</b>                   |                       |                      |                     |
| 9  |                                 | <b>SALARY/WAGES</b>                |                       |                      |                     |
| 10 |                                 | Vice President of Operations       | \$ 113,307            | \$ 22,471            | \$ 135,778          |
| 11 |                                 | Contract Compliance Specialist     | \$ 12,265             | \$ 2,432             | \$ 14,697           |
| 12 |                                 | Quality Control Coordinator        | \$ 30,492             | \$ 6,047             | \$ 36,539           |
| 13 |                                 | Outreach Coordinator               | \$ 12,421             | \$ 2,463             | \$ 14,884           |
| 14 |                                 | LIFE AID Hotline Counselors        | \$ 15,024             | \$ 2,980             | \$ 18,004           |
| 15 |                                 | <b>Subtotal</b>                    | <b>\$ 183,509</b>     | <b>\$ 36,393</b>     | <b>\$ 219,902</b>   |
| 16 |                                 |                                    |                       |                      |                     |
| 17 |                                 | <b>OTHER PERSONNEL COSTS</b>       |                       |                      |                     |
| 18 |                                 | Overtime                           | \$ 224                | \$ 45                | \$ 269              |
| 19 |                                 | Unused Sick Leave Obligation Paid  | \$ 1,078              | \$ 214               | \$ 1,292            |
| 20 |                                 | Payroll Taxes                      | \$ 13,950             | \$ 2,766             | \$ 16,716           |
| 21 |                                 | Job Advertising                    | \$ 1,669              | \$ 331               | \$ 2,000            |
| 22 |                                 | Employee Screening                 | \$ 417                | \$ 83                | \$ 500              |
| 23 |                                 | Professional Development           | \$ 4,172              | \$ 828               | \$ 5,000            |
| 24 |                                 | <b>Subtotal</b>                    | <b>\$ 21,510</b>      | <b>\$ 4,267</b>      | <b>\$ 25,777</b>    |
| 25 |                                 |                                    |                       |                      |                     |
| 26 |                                 | <b>BENEFITS</b>                    |                       |                      |                     |
| 27 |                                 | Workers Compensation Insurance     | \$ 1,463              | \$ 290               | \$ 1,753            |
| 28 |                                 | Pension Contribution               | \$ 4,630              | \$ 918               | \$ 5,548            |
| 29 |                                 | Employee Group Insurance           | \$ 37,790             | \$ 7,495             | \$ 45,285           |
| 30 |                                 | <b>Subtotal</b>                    | <b>\$ 43,883</b>      | <b>\$ 8,703</b>      | <b>\$ 52,586</b>    |
| 31 |                                 |                                    |                       |                      |                     |
| 32 |                                 | <b>TOTAL PERSONNEL</b>             | <b>\$ 248,902</b>     | <b>\$ 49,363</b>     | <b>\$ 298,265</b>   |
| 33 |                                 |                                    |                       |                      |                     |
| 34 | 2                               | <b>OPERATING</b>                   |                       |                      |                     |
| 35 |                                 | Information and Training Materials | \$ 8,345              | \$ 1,655             | \$ 10,000           |
| 36 |                                 | Services Advertising               | \$ 62,587             | \$ 12,413            | \$ 75,000           |
| 37 |                                 | Travel                             | \$ 8,345              | \$ 1,655             | \$ 10,000           |
| 38 |                                 | Services Database Consulting       | \$ 8,345              | \$ 1,655             | \$ 10,000           |
| 39 |                                 | Other Services Consulting          | \$ 1,669              | \$ 331               | \$ 2,000            |
| 40 |                                 | Meetings and Seminars              | \$ 8,345              | \$ 1,655             | \$ 10,000           |
| 41 |                                 | Minor Equipment Reimbursement      | \$ 417                | \$ 83                | \$ 500              |
| 42 |                                 | New Site Development               | \$ -                  | \$ -                 | \$ -                |
| 43 |                                 | New Program Development            | \$ -                  | \$ -                 | \$ -                |
| 44 |                                 | Counseling Reimbursement           | \$ 4,062,657          | \$ 805,537           | \$ 4,868,194        |
| 45 |                                 | Toll Free Referral System          | \$ 4,172              | \$ 828               | \$ 5,000            |
| 46 |                                 | Outcome Measure Development        | \$ -                  | \$ -                 | \$ -                |
| 47 |                                 | Fiscal Year Close Out Costs        | \$ 83,450             | \$ 16,550            | \$ 100,000          |
| 48 |                                 | <b>TOTAL OPERATING</b>             | <b>\$ 4,248,332</b>   | <b>\$ 842,362</b>    | <b>\$ 5,090,694</b> |
| 49 |                                 |                                    |                       |                      |                     |
| 50 | 3                               | <b>EQUIPMENT</b>                   |                       |                      |                     |
| 51 |                                 | Pregnancy Test Kits                | \$ 41,725             | \$ 8,275             | \$ 50,000           |
| 52 |                                 | <b>TOTAL EQUIPMENT</b>             | <b>\$ 41,725</b>      | <b>\$ 8,275</b>      | <b>\$ 50,000</b>    |
| 53 |                                 |                                    |                       |                      |                     |
| 54 |                                 | <b>TOTAL SERVICES COSTS</b>        | <b>\$ 4,538,959</b>   | <b>\$ 900,000</b>    | <b>\$ 5,438,959</b> |
| 55 |                                 |                                    |                       |                      |                     |

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Estimated Administrative Costs - Operating and Equipment

|  |            |
|--|------------|
| 15. Consulting   | \$ 25,000  |
| The costs of legal, computer and accounting consulting as required.  |            |
| 16. Postage/Shipping   | 10,000     |
| The costs for sending payments, supplies, pamphlets, reports, service provider documents and other general correspondence to vendors and service providers.          |            |
| 17. Auditing   | 25,000     |
| The prorated cost of an independent audit of project expenditures and accounting methods by a certified public accounting firm as required by the contract with DPW. |            |
| 18. Travel/Lodging   | 500        |
| The cost for mileage, lodging , meals, parking and other related travel expenses for the President & CEO, administrative staff and Real Alternatives Board members.  |            |
| 19. Rent   | 60,000     |
| The prorated costs of the rental space costs for the Real Alternatives' administrative office.   |            |
| 20. Telephone Service  | 12,000     |
| Prorated portion of the costs for the phone system at the office and for local, long distance and cellular service.  |            |
| 21. General Business Liability Insurance   | 1,966      |
| Prorated cost of general business liability insurance to cover standard types of business liability issues.  |            |
| 22. Directors and Owners Liability Insurance   | 4,749      |
| Prorated cost of insurance to cover actions of the Board of Directors and staff of Real Alternatives.  |            |
| 23. Office Expense   | 62,606     |
| The cost of office supplies including printer and copier cartridges and paper for the operation of the PA Alternatives to Abortion Services Program.                 |            |
| 24. Computer Upgrades  | 20,000     |
| The cost of software to enhance the company's ability to stay current with changing hardware and software technology.  |            |
| 25. Resources Development  | 6,173      |
| The cost of fundraising in support of the state alternatives to abortion program.  |            |
| 26. Equipment Service Contracts  | 4,000      |
| Prorated cost of service on the office copier.   |            |
| Total Estimated Administrative Costs   | \$ 604,329 |

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Estimated Services Costs - Personnel

|  |        |
|--|--------|
| 12. Workers Compensation Insurance   | 1,753  |
| The prorated cost of workers compensation insurance for the services staff.        |        |
| 13. Pension Contribution   | 5,548  |
| The cost of the pension contribution for the services staff.                       |        |
| 14. Employee Group Insurance   | 45,285 |
| The prorated cost of health, life and disability insurance for the services staff. |        |

Real Alternatives Fiscal Year 2012 - 2013 Budget Justification

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Estimated Services Costs - Equipment

26. Pregnancy Test Kits

The costs to reimburse service providers for self administered pregnancy test kits. \$ 50,000

Total Estimated Services Cost \$ 5,438,959

Total Budget \$ 6,043,288

STANDARD GRANT TERMS AND CONDITIONS FOR  
SERVICES

Rider 4

1. TERM OF CONTRACT

The term of the Agreement shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Agreement, subject to the other provisions of the Agreement. The Effective Date shall be fixed by the Contracting Officer after the Agreement has been fully executed by the GRANTEE and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The Agreement shall not be a legally binding Agreement until the Effective Date is affixed. The Contracting Officer shall issue a written Notice to Proceed to the Contractor directing the Contractor to start performance on a date which is on or after the Effective Date. No agency employee has the authority to verbally direct the commencement of any work under this Agreement. The Commonwealth reserves the right, upon notice to the Contractor, to extend the term of the Agreement for up to three (3) months upon the same terms and conditions. This will be utilized to prevent a lapse in Agreement coverage and only for the time necessary, up to three (3) months, to enter into a new Agreement.

2. INDEPENDENT CONTRACTOR

In performing the services required by the Agreement, GRANTEE will act as an independent contractor and not as an employee or agent of the Commonwealth.

3. COMPLIANCE WITH LAW

GRANTEE shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Agreement.

4. ENVIRONMENTAL PROVISIONS

In the performance of the Agreement, GRANTEE shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations.

5. POST-CONSUMER RECYCLED CONTENT

Except as specifically waived by the Department of General Services in writing, any products which are provided to the Commonwealth as a part of the performance of the Agreement must meet the minimum percentage levels for total recycled content as specified in Exhibits A-1 through A-8 to these Standard Contract Terms and Conditions.

6. COMPENSATION/EXPENSES

GRANTEE shall be required to perform the specified services at the price(s) quoted in the Agreement. All services shall be performed within the time period(s) specified in the Agreement. GRANTEE shall be compensated only for work performed to the satisfaction of the Commonwealth. GRANTEE shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Agreement.

7. INVOICES

Unless GRANTEE has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, GRANTEE shall send an invoice itemized by line item to the address referenced on the purchase order promptly after services are satisfactorily completed. The invoice should include only amounts due under the Agreement/purchase order. The purchase order number must be included on all invoices. In addition, the Commonwealth shall have the right to require GRANTEE to prepare and submit a "Work In Progress" sheet that contains, at a minimum, the tasks performed, number of hours, hourly rate, and the purchase order or task order to which it refers.

8. PAYMENT

- a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Agreement; (b) thirty (30) days after a proper invoice actually is received at the "Provide Service and Bill To" address if a date on which payment is due is not specified in the Agreement (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed



if the payment amount on an invoice is not based upon the price(s) as stated in the Agreement. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by GRANTEE as acceptance of the service performed by GRANTEE. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. GRANTEE agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of GRANTEE or its subsidiaries to the Commonwealth against any payments due GRANTEE under any Agreement with the Commonwealth.

- b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Agreement or purchase order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which GRANTEE will be required to pay and GRANTEE will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are responsibility of the GRANTEE. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by GRANTEE or any other charges incurred by GRANTEE, unless specifically stated in the terms of the Agreement or purchase order.

#### 9. TAXES

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction contractor from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction contract.

#### 10. WARRANTY

GRANTEE warrants that all services performed by GRANTEE, its agents and subcontractors shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Agreement, all services and parts are warranted for a period of one year following completion of performance by GRANTEE and acceptance by the Commonwealth. GRANTEE shall correct any problem with the service and/or replace any defective part with a part of equivalent or superior quality without any additional cost to the Commonwealth.

#### 11. PATENT, COPYRIGHT, AND TRADEMARK INDEMNITY

GRANTEE warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of the Agreement which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report document or other material provided to the commonwealth under the Agreement. GRANTEE shall defend any suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of the Agreement. This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same. As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action. If information and assistance are furnished by the Commonwealth at GRANTEE's written request, it shall be at GRANTEE's expense, but the responsibility for such expense shall be only that within GRANTEE's written authorization. GRANTEE shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the GRANTEE or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of the Agreement. If any of the products provided by GRANTEE in such suit or proceeding are held to constitute infringement and the use is enjoined, the GRANTEE shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing. If GRANTEE is unable to do any of the preceding, GRANTEE agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of the Commonwealth, only those items of equipment or software which are

held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase of the product, less straight line depreciation; 2) any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance paid for. The obligations of GRANTEE under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of GRANTEE without its written consent.

#### 12. OWNERSHIP RIGHTS

The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Agreement.

#### 13. ASSIGNMENT OF ANTITRUST CLAIMS

GRANTEE and the Commonwealth recognize that in actual economic practice, overcharges by GRANTEE's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of the Agreement, and intending to be legally bound, GRANTEE assigns to the Commonwealth all right, title and interest in and to any claims GRANTEE now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Agreement.

#### 14. HOLD HARMLESS PROVISION

GRANTEE shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all claims, demands and actions based upon or arising out of any activities performed by GRANTEE and its employees and agents under this Agreement and shall, at the request of the Commonwealth, defend any and all actions brought against the Commonwealth based upon any such claims or demands.

#### 15. AUDIT PROVISIONS

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of GRANTEE to the extent that the books, documents and records relate to costs or pricing data for the Agreement. GRANTEE agrees to maintain records which will support the prices charged and costs incurred for the Agreement. GRANTEE shall preserve books, documents, and records that relate to costs or pricing data for the Agreement for a period of three (3) years from date of final payment. GRANTEE shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

#### 16. DEFAULT

- a. The Commonwealth may, subject to the provisions of Paragraph 17, Force Majeure, and in addition to its other rights under the Agreement, declare GRANTEE in default by written notice thereof to GRANTEE, and terminate (as provided in Paragraph 18, Termination Provisions) the whole or any part of this Agreement for any of the following reasons:
- 1) Failure to begin work within the time specified in the Agreement or as otherwise specified;
  - 2) Failure to perform the work with sufficient labor, equipment, or material to insure the completion of the specified work in accordance with the Agreement terms;
  - 3) Unsatisfactory performance of the work;
  - 4) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
  - 5) Discontinuance of work without approval;
  - 6) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
  - 7) Insolvency or bankruptcy;
  - 8) Assignment made for the benefit of creditors;
  - 9) Failure or refusal within 10 days after written notice by the Contracting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;
  - 10) Failure to protect, to repair, or to make good any damage or injury to property; or
  - 11) Breach of any provision of this Agreement.
- b. In the event that the Commonwealth terminates this Agreement in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, services similar or identical to those so terminated, and GRANTEE shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical services included within the terminated part of the Agreement.

- c. If the Agreement is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require GRANTEE to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Issuing Office, such partially completed work; including, where applicable, reports, working papers and other documentation, as GRANTEE has specifically produced or specifically acquired for the performance of such part of the Agreement as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Agreement price. Except as provided below, payment for partially completed work including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by GRANTEE and Contracting Officer. The Commonwealth may withhold from amounts otherwise due the GRANTEE for such completed or partially completed works, such sum as the Contracting Officer determines to be necessary to protect the Commonwealth against loss.
- d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
- e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.
- f. Following exhaustion of GRANTEE's administrative remedies as set forth in Paragraph 19, GRANTEE's exclusive remedy shall be to seek damages in the Board of Claims.

#### 17. FORCE MAJEURE

Neither party will incur any liability to the other if its performance of any obligation under this Agreement is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

GRANTEE shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which GRANTEE becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the Agreement is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. GRANTEE shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect either to cancel the Agreement or to extend the time for performance as reasonably necessary to compensate for GRANTEE's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to GRANTEE, may suspend all or a portion of the Agreement.

#### 18. TERMINATION PROVISIONS

The Commonwealth has the right to terminate this Agreement for any of the following reasons. Termination shall be effective upon written notice to the GRANTEE.

- a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Agreement for its convenience if the Commonwealth determines termination to be in its best interest. GRANTEE shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall GRANTEE be entitled to recover loss of profits.
- b. **NON-APPROPRIATION:** The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Agreement. GRANTEE shall be reimbursed for the reasonable value of any nonrecurring

costs incurred but not amortized in the price of the supplies or services delivered under this Agreement. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid for any appropriations available for that purpose

- c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Agreement for default under Paragraph 16, Default, upon written notice to GRANTEE. The Commonwealth shall also have the right, upon written notice to GRANTEE, to terminate the Agreement for other cause as specified in this Agreement or by law. If it is later determined that the Commonwealth erred in terminating the Agreement for cause, then, at the Commonwealth's discretion, the Agreement shall be deemed to have been terminated for convenience under the Subparagraph 18.a.

19. **CONTRACT CONTROVERSIES**

- a. In the event of a controversy or claim arising from the Agreement, GRANTEE must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the GRANTEE asserts a controversy exists. If GRANTEE fails to file a claim or files an untimely claim, GRANTEE is deemed to have waived its right to assert a claim in any forum.
- b. The contracting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the contracting officer and GRANTEE. The contracting officer shall send his/her written determination to GRANTEE. If the contracting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.
- c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, GRANTEE may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, GRANTEE shall proceed diligently with the performance of the Agreement in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate GRANTEE pursuant to the terms of the Agreement.

20. **ASSIGNABILITY AND SUBCONTRACTING**

- a. Subject to the terms and conditions of this Paragraph 20, this Agreement shall be binding upon the parties and their respective successors and assigns.
- b. GRANTEE shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Agreement without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- c. GRANTEE may not assign, in whole or in part, this Agreement or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- d. Notwithstanding the foregoing, GRANTEE may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Agreement, provided that GRANTEE provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Agreement.
- e. For the purposes of this Agreement, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the GRANTEE provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.
- f. Any assignment consented to by the Contracting Officer shall be evidenced by a written

assignment agreement executed by GRANTEE and its assignee in which the assignee

created by GRANTEE and its

agrees to be legally bound by all of the terms and conditions of the Agreement and to assume the duties, obligations, and responsibilities being assigned.

- g. A change of name by GRANTEE, following which GRANTEE's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The GRANTEE shall give the Contracting Officer written notice of any such change of name.

## 21. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

During the term of the Agreement, GRANTEE agrees as follows:

- a. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the Agreement or any subcontract, GRANTEE, each subcontractor, or any person acting on behalf of GRANTEE or subcontractor shall not, by reason of gender, race, creed, or color, discriminate against any citizen of this commonwealth who is qualified and available to perform the work to which the employment relates.
- b. Neither GRANTEE nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the Agreement on account of gender, race, creed, or color.
- c. GRANTEE and each subcontractor shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
- d. GRANTEE and each subcontractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the Agreement relates.
- e. GRANTEE and each subcontractor shall, within the time periods requested by the commonwealth, furnish all necessary employment documents and records and permit access to their books, records, and accounts by the contracting agency and the Bureau of Minority and Women Business Opportunities (BM/WBO), for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause. Within fifteen (15) days after award of any Agreement, the GRANTEE shall be required to complete, sign and submit Form STD-21, the "Initial Contract Compliance Data" form. If the contract is a construction contract, then the Contractor shall be required to complete, sign and submit Form STD-28, the "Monthly Contract Compliance Report for Construction Contractors", each month no later than the 15th of the month following the reporting period beginning with the initial job conference and continuing through the completion of the project. Those contractors who have fewer than five employees or whose employees are all from the same family or who have completed the Form STD-21 within the past 12 months may, within the 15 days, request an exemption from the Form STD-21 submission requirement from the contracting agency.
- f. GRANTEE shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
- g. The commonwealth may cancel or terminate the Agreement and all money due or to become due under the Agreement may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place GRANTEE in the Contractor Responsibility File.

## 22. CONTRACTOR INTEGRITY PROVISIONS

It is essential that those who seek to contract with the Commonwealth observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth procurement process. In furtherance of this policy, GRANTEE agrees to the following:

- a. GRANTEE shall maintain the highest standards of honesty and integrity during the performance of this Agreement and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to GRANTEE or that govern contracting with the Commonwealth.
- b. GRANTEE shall establish and implement a written business integrity policy, which includes, at a

minimum, the requirements of these provisions as they relate to GRANTEE employee activity with the Commonwealth and Commonwealth employees, and which is distributed and made known to all GRANTEE employees.

- c. GRANTEE, its affiliates, agents and employees shall not influence, or attempt to influence, any Commonwealth employee to breach the standards of ethical conduct for Commonwealth employees set forth in the *Public Official and Employees Ethics Act, 65 Pa.C.S. §§1101 et seq.*; the *State Adverse Interest Act, 71 P.S. §776.1 et seq.*; and the *Governor's Code of Conduct, Executive Order 1980-18, 4 Pa. Code §7.151 et seq.*, or to breach any other state or federal law or regulation.
- d. GRANTEE, its affiliates, agents and employees shall not offer, give, or agree or promise to give any gratuity to a Commonwealth official or employee or to any other person at the direction or request of any Commonwealth official or employee.
- e. GRANTEE, its affiliates, agents and employees shall not offer, give, or agree or promise to give any gratuity to a Commonwealth official or employee or to any other person, the acceptance of which would violate the *Governor's Code of Conduct, Executive Order 1980-18, 4 Pa. Code §7.151 et seq.* or any statute, regulation, statement of policy, management directive or any other published standard of the Commonwealth.
- f. GRANTEE, its affiliates, agents and employees shall not, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any Commonwealth official or employee.
- g. GRANTEE, its affiliates, agents, employees, or anyone in privity with him or her shall not accept or agree to accept from any person, any gratuity in connection with the performance of work under the Agreement, except as provided in the Agreement.
- h. GRANTEE shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to GRANTEE's financial interest prior to Commonwealth execution of the Agreement. GRANTEE shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than GRANTEE's submission of the Agreement signed by GRANTEE.
- i. GRANTEE, its affiliates, agents and employees shall not disclose to others any information, documents, reports, data, or records provided to, or prepared by, GRANTEE under this Agreement without the prior written approval of the Commonwealth, except as required by the *Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104*, or other applicable law or as otherwise provided in this Agreement. Any information, documents, reports, data, or records secured by GRANTEE from the Commonwealth or a third party in connection with the performance of this contract shall be kept confidential unless disclosure of such information is:
  - 1) Approved in writing by the Commonwealth prior to its disclosure; or
  - 2) Directed by a court or other tribunal of competent jurisdiction unless the Agreement requires prior Commonwealth approval; or
  - 3) Required for compliance with federal or state securities laws or the requirements of national securities exchanges; or
  - 4) Necessary for purposes of GRANTEE's internal assessment and review; or
  - 5) Deemed necessary by GRANTEE in any action to enforce the provisions of this Agreement or to defend or prosecute claims by or against parties other than the Commonwealth; or
  - 6) Permitted by the valid authorization of a third party to whom the information, documents, reports, data, or records pertain; or
  - 7) Otherwise required by law.
- j. GRANTEE certifies that neither it nor any of its officers, directors, associates, partners, limited partners or individual owners has been officially notified of, charged with, or convicted of any of the following and agrees to immediately notify the Commonwealth agency contracting officer in writing if and when it or any officer, director, associate, partner, limited partner or individual owner has been officially notified of, charged with, convicted of, or officially notified of a governmental determination of any of the following:
  - 1) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

2) Commission of fraud or a criminal offense or other improper conduct or knowledge of, approval of or acquiescence in such activities by GRANTEE or any affiliate, officer, director, associate, partner, limited partner, individual owner, or employee or other individual or entity associated with:

- a) obtaining;
- b) attempting to obtain; or
- c) performing a public contract or subcontract.

GRANTEE's acceptance of the benefits derived from the conduct shall be deemed evidence of such knowledge, approval or acquiescence.

- 3) Violation of federal or state antitrust statutes.
- 4) Violation of any federal or state law regulating campaign contributions.
- 5) Violation of any federal or state environmental law
- 6) Violation of any federal or state law regulating hours of labor, minimum wage standards or prevailing wage standards; discrimination in wages; or child labor violations.
- 7) Violation of the *Act of June 2, 1915 (P.L.736, No. 338)*, known as the *Workers' Compensation Act, 77 P.S. 1 et seq.*
- 8) Violation of any federal or state law prohibiting discrimination in employment.
- 9) Debarment by any agency or department of the federal government or by any other state.
- 10) Any other crime involving moral turpitude or business honesty or integrity.

GRANTEE acknowledges that the Commonwealth may, in its sole discretion, terminate the Agreement for cause upon such notification or when the Commonwealth otherwise learns that GRANTEE has been officially notified, charged, or convicted.

k. If this Agreement was awarded to GRANTEE on a non-bid basis, GRANTEE must, (as required by *Section 1641* of the *Pennsylvania Election Code*) file a report of political contributions with the Secretary of the Commonwealth on or before February 15 of the next calendar year. The report must include an itemized list of all political contributions known to GRANTEE by virtue of the knowledge possessed by every officer, director, associate, partner, limited partner, or individual owner that has been made by:

- 1) Any officer, director, associate, partner, limited partner, individual owner or members of the immediate family when the contributions exceed an aggregate of one thousand dollars (\$1,000) by any individual during the preceding year; or
- 2) Any employee or members of his immediate family whose political contribution exceeded one thousand dollars (\$1,000) during the preceding year.

To obtain a copy of the reporting form, GRANTEE shall contact the Bureau of Commissions, Elections and Legislation, Division of Campaign Finance and Lobbying Disclosure, Room 210, North Office Building, Harrisburg, PA 17120.

l. GRANTEE shall comply with requirements of the *Lobbying Disclosure Act, 65 Pa.C.S. § 13A01 et seq.*, and the regulations promulgated pursuant to that law. GRANTEE employee activities prior to or outside of formal Commonwealth procurement communication protocol are considered lobbying and subjects the GRANTEE employees to the registration and reporting requirements of the law. Actions by outside lobbyists on GRANTEE's behalf, no matter the procurement stage, are not exempt and must be reported.

- m. When GRANTEE has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or in these provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, GRANTEE shall immediately notify the Commonwealth contracting officer or Commonwealth Inspector General in writing.
- n. GRANTEE, by submission of its bid or proposal and/or execution of this Agreement and by the submission of any bills, invoices or requests for payment pursuant to the Agreement, certifies and represents that it has not violated any of these contractor integrity provisions in connection with the submission of the bid or proposal, during any Agreement negotiations or during the term of the Agreement.
- o. GRANTEE shall cooperate with the Office of Inspector General in its investigation of any alleged Commonwealth employee breach of ethical standards and any alleged GRANTEE non-compliance with these provisions. GRANTEE agrees to make identified GRANTEE employees available for interviews at reasonable times and places. GRANTEE, upon the inquiry or request of the Office of Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to GRANTEE's integrity and compliance with these provisions. Such information may include, but shall not be limited to, GRANTEE's business or financial records, documents or files of any type or form that refers to or concern this Agreement.
- p. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other Agreement with GRANTEE, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend GRANTEE from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.
- q. For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Paragraph.
- 1) "Confidential information" means information that a) is not already in the public domain; b) is not available to the public upon request; c) is not or does not become generally known to GRANTEE from a third party without an obligation to maintain its confidentiality; d) has not become generally known to the public through a act or omission of GRANTEE; or e) has not been independently developed by GRANTEE without the use of confidential information of the Commonwealth.
  - 2) "Consent" means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by pre-qualification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this Agreement.
  - 3) "Contractor" means the individual or entity that has entered into this Agreement with the Commonwealth, including those directors, officers, partners, managers, and owners having more than a five percent interest in Contractor.
  - 4) "Financial interest" means:
    - (a) Ownership of more than a five percent interest in any business; or
    - (b) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
  - 5) "Gratuity" means tendering, giving or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor's Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b)*, shall apply.
  - 6) "Immediate family" means a spouse and any unemancipated child.
  - 7) "Non-bid basis" means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.
  - 8) "Political contribution" means any payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or any valuable thing, to a candidate for public office or to a political committee, including but not limited to a political action committee, made for the purpose of influencing any election in the Commonwealth of



Pennsylvania or for paying debts incurred by or for a candidate or committee before or after any election.

**23. CONTRACTOR RESPONSIBILITY PROVISIONS**

- a. GRANTEE certifies, for itself and all its subcontractors, that as of the date of its execution of this Bid/Agreement, that neither GRANTEE, nor any subcontractors, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if GRANTEE cannot so certify, then it agrees to submit, along with its Bid, a written explanation of why such certification cannot be made.
- b. GRANTEE also certifies, that as of the date of its execution of this Agreement, it has no tax liabilities or other Commonwealth obligations.
- c. GRANTEE's obligations pursuant to these provisions are ongoing from and after the effective date of the Agreement through the termination date thereof. Accordingly, GRANTEE shall have an obligation to inform the Commonwealth if, at any time during the term of the Agreement, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
- d. The failure of GRANTEE to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Agreement with the Commonwealth.
- e. GRANTEE agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for Investigations of GRANTEE's compliance with the terms of this or any other agreement between GRANTEE and the Commonwealth, which results in the suspension or debarment of GRANTEE. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. GRANTEE shall not be responsible for investigative costs for investigations that do not result in GRANTEE's suspension or debarment.
- f. GRANTEE may obtain a current list of suspended and debarred Commonwealth contractors by either searching the internet at <http://www.dgs.state.pa.us> or contacting the:

Department of General Services  
Office of Chief Counsel  
603 North Office Building  
Harrisburg, PA 17125  
Telephone No. (717) 783-6472  
FAX No. (717) 787-9138

**24. AMERICANS WITH DISABILITIES ACT**

- a. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., GRANTEE understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Agreement or from activities provided for under this Agreement on the basis of the disability. As a condition of accepting this Agreement, GRANTEE agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.
- b. GRANTEE shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the GRANTEE's failure to comply with the provisions of subparagraph a above.

**25. HAZARDOUS SUBSTANCES**

GRANTEE shall provide information to the Commonwealth about the identity and hazards of hazardous substances supplied or used by GRANTEE in the performance of the Agreement. GRANTEE must comply with Act 159 of October 5, 1984, known as the "Worker and Community Right to Know Act" (the "Act") and the regulations promulgated pursuant thereto at 4 Pa. Code Section 301.1 et seq.

a. Labeling. GRANTEE shall insure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by GRANTEE is clearly labeled, tagged or marked with the information listed in Paragraph (1) through (4):

- 1) Hazardous substances:
  - a) The chemical name or common name,
  - b) A hazard warning, and
  - c) The name, address, and telephone number of the manufacturer.
- 2) Hazardous mixtures:
  - a) The common name, but if none exists, then the trade name,
  - b) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
  - c) The chemical or common name of hazardous substances consisting 1.0% or more of the mixture,
  - d) A hazard warning, and
  - e) The name, address, and telephone number of the manufacturer.
- 3) Single chemicals:
  - a) The chemical name or the common name, A hazard warning, if appropriate, and
  - b) The name, address, and telephone number of the manufacturer.
- 4) Chemical Mixtures:
  - a) The common name, but if none exists, then the trade name,
  - b) A hazard warning, if appropriate,
  - c) The name, address, and telephone number of the manufacturer, and
  - d) The chemical name or common name of either the top five substances by volume or those substances consisting of 5.0% or more of the mixture.

A common name or trade name may be used only if the use of the name more easily or readily identifies the true nature of the hazardous substance, hazardous mixture, single chemical, or mixture involved.

Container labels shall provide a warning as to the specific nature of the hazard arising from the substance in the container.

The hazard warning shall be given in conformity with one of the nationally recognized and accepted systems of providing warnings, and hazard warnings shall be consistent with one or more of the recognized systems throughout the workplace. Examples are:

- NFPA 704, Identification of the Fire Hazards of Materials.

- National Paint and Coatings Association: Hazardous Materials Identification and Coatings System.
- American Society for Testing and Materials, Safety Alert Pictorial Chart.
- American National Standard Institute, Inc., for the Precautionary Labeling of Hazardous Industrial Chemicals.

Labels must be legible and prominently affixed to and displayed on the product and the carton, container, or package so that employees can easily identify the substance or mixture present therein.

- b. Material Safety Data Sheet. GRANTEE shall provide Material Safety Data Sheets (MSDS) with the information required by the Act and the regulations for each hazardous substance or hazardous mixture. The Commonwealth must be provided an appropriate MSDS with the initial shipment and with the first shipment after an MSDS is updated or product changed. For any other chemical, GRANTEE shall provide an appropriate MSDS, if the manufacturer, importer, or supplier produces or possesses the MSDS. GRANTEE shall also notify the Commonwealth when a substance or mixture is subject to the provisions of the Act. Material Safety Data Sheets may be attached to the carton, container, or package mailed to the Commonwealth at the time of shipment.

#### 26. COVENANT AGAINST CONTINGENT FEES

GRANTEE warrants that no person or selling agency has been employed or retained to solicit or secure the Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by GRANTEE for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

#### 27. APPLICABLE LAW

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. GRANTEE consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. GRANTEE agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

#### 28. INTEGRATION

The Agreement, including all referenced documents, constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or GRANTEE has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Agreement, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Agreement. No modifications, alterations, changes, or waiver to the Agreement or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both parties. All such amendments will be made using the appropriate Commonwealth form.

#### 29. CHANGE ORDERS

The Commonwealth reserves the right to issue change orders at any time during the term of the Agreement or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Agreement and actual quantities; 2) to make changes to the services within the scope of the Agreement; 3) to notify GRANTEE that the Commonwealth is exercising any Agreement renewal or extension option; or 4) to modify the time of performance that does not alter the scope of the Agreement to extend the completion date beyond the Expiration Date of the Agreement or any renewals or extensions thereof. Any such change order shall be in writing signed by the Contracting Officer. The change order shall be effective as of the date appearing on the change order, unless the change order specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Agreement, nor, if performance security is being furnished in conjunction with the Agreement, release the security obligation. GRANTEE agrees to provide the service in accordance with the change order. Any dispute by the GRANTEE in regard to the performance required under any change order shall be handled through Paragraph 19, "Contract Controversies".

For purposes of this Agreement, "change order" is defined as a written order signed by the Contracting Officer directing the GRANTEE to make changes authorized under this clause.

30. RIGHT TO KNOW LAW 8-K-1532

- a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL") applies to this Agreement. For the purpose of these provisions, the term "the Commonwealth" shall refer to the contracting Commonwealth agency.
- b. If the Commonwealth needs GRANTEE's assistance in any matter arising out of the RTKL related to this Agreement, it shall notify GRANTEE using the legal contact information provided in this Agreement. GRANTEE, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.
- c. Upon written notification from the Commonwealth that it requires GRANTEE's assistance in responding to a request under the RTKL for information related to this Agreement that may be in GRANTEE's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), GRANTEE shall:
  1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in the GRANTEE's possession arising out of this Agreement that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
  2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Agreement.
- d. If GRANTEE considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the GRANTEE considers exempt from production under the RTKL, GRANTEE must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of GRANTEE explaining why the requested material is exempt from public disclosure under the RTKL.
- e. The Commonwealth will rely upon the written statement from GRANTEE in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, GRANTEE shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth's determination.
- f. If GRANTEE fails to provide the Requested Information within the time period required by these provisions, GRANTEE shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of GRANTEE's failure, including any statutory damages assessed against the Commonwealth.
- g. The Commonwealth will reimburse GRANTEE for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.
- h. GRANTEE may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the GRANTEE shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of GRANTEE's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, GRANTEE agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.
- i. GRANTEE's duties relating to the RTKL are continuing duties that survive the expiration of this Agreement and shall continue as long as the GRANTEE has Requested Information in its possession.

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**DEPARTMENT OF PUBLIC WELFARE ADDENDUM TO  
STANDARD CONTRACT TERMS AND CONDITIONS**

**A. APPLICABILITY**

This Addendum is intended to supplement the Standard Terms and Conditions. To the extent any of the terms contained herein conflict with terms contained in the Standard Contract Terms and Conditions, the terms in the Standard Contract Terms and Conditions shall take precedence. Further, it is recognized that certain terms contained herein may not be applicable to all the services which may be provided through Department contracts.

**B. CONFIDENTIALITY**

The parties shall not use or disclose any information about a recipient of the services to be provided under this contract for any purpose not connected with the parties' contract responsibilities except with written consent of such recipient, recipient's attorney, or recipient's parent or legal guardian.

**C. INFORMATION**

During the period of this contract, all information obtained by the Contractor through work on the project will be made available to the Department immediately upon demand. If requested, the Contractor shall deliver to the Department background material prepared or obtained by the Contractor incident to the performance of this agreement. Background material is defined as original work, papers, notes and drafts prepared by the Contractor to support the data and conclusions in final reports, and includes completed questionnaires, materials in electronic data processing form, computer programs, other printed materials, pamphlets, maps, drawings and all data directly related to the services being rendered.

**D. CERTIFICATION AND LICENSING**

Contractor agrees to obtain all licenses, certifications and permits from Federal, State and Local authorities permitting it to carry on its activities under this contract.

**E. PROGRAM SERVICES**

Definitions of service, eligibility of recipients of service and other limitations in this contract are subject to modification by amendments to Federal, State and Local laws, regulations and program requirements without further notice to the Contractor hereunder.

**F. CHILD PROTECTIVE SERVICE LAWS**

In the event that the contract calls for services to minors, the contractor shall comply with the provisions of the Child Protective Services Law (Act of November 26, 1975, P.L. 438, No. 124; 23 P.S. SS 6301-6384, as amended by Act of July 1, 1985, P.L. 124, No. 33) and all regulations promulgated thereunder (55Pa. Code, chapter 3490).

**G. PRO-CHILDREN ACT OF 1994**

The Contractor agrees to comply with the requirements of the Pro-Children Act of 1994; Public Law 103-277, Part C-Environment Tobacco Smoke (also known as the Pro-Children Act of 1994) 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 care services, day care and education to children under the age of 18, if the services are funded by Federal programs whether directly or through State and Local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees and contracts. 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.

**H. MEDICARE/MEDICAID REIMBURSEMENT**

1. To the extent that services are furnished by contractors, subcontractors, or organizations related to the contractor/subcontractor and such services may in whole or in part be claimed by the

Commonwealth for Medicare/Medicaid reimbursements, contractor/subcontractor agrees to comply with 42 C.F.R., Part 420, including:

- a. Preservation of books, documents and records until the expiration of four (4) years after the services are furnished under the contract.
  - b. Full and free access to (i) the Commonwealth, (ii) the U.S. Comptroller General, (iii) the U.S. Department of Health and Human Services, and their authorized representatives.
2. Your signature on the proposal certifies under penalty of law that you have not been suspended/terminated from the Medicare/Medicaid Program and will notify the contracting DPW Facility or DPW Program Office immediately should a suspension/termination occur during the contract period.

#### **I. TRAVEL AND PER DIEM EXPENSES**

Contractor shall not be allowed or paid travel or per diem expenses except as provided for in Contractor's Budget and included in the contract amount. Any reimbursement to the Contractor for travel, lodging or meals under this contract shall be at or below state rates as provided in Rider R, Commonwealth Travel Rates, attached hereto and incorporated herein, unless the Contractor has higher rates which have been established by its offices/officials, and published prior to entering into this contract. Higher rates must be supported by a copy of the minutes or other official documents, and submitted to the Department. Documentation in support of travel and per diem expenses will be the same as required of state employees.

#### **J. INSURANCE**

1. The contractor shall accept full responsibility for the payment of premiums for Workers' Compensation, Unemployment Compensation, Social Security, and all income tax deductions required by law for its employees who are performing services under this contract. As required by law, an independent contractor is responsible for Malpractice Insurance for health care personnel. Contractor shall provide insurance Policy Number and Provider's Name, or a copy of the policy with all renewals for the entire contract period.
2. The contractor shall, at its expense, procure and maintain during the term of the contract, the following types of insurance, issued by companies acceptable to the Department and authorized to conduct such business under the laws of the Commonwealth of Pennsylvania:
  - a. Worker's Compensation Insurance for all of the Contractor's employees and those of any subcontractor, engaged in work at the site of the project as required by law.
  - b. Public liability and property damage insurance to protect the Commonwealth, the Contractor, and any and all subcontractors from claim for damages for personal injury (including bodily injury), sickness or disease, accidental death and damage to property, including loss of use resulting from any property damage, which may arise from the activities performed under this contract or the failure to perform under this contract whether such performance or nonperformance be by the contractor, by any subcontractor, or by anyone directly or indirectly employed by either. The limits of such insurance shall be in an amount not less than \$500,000 each person and \$2,000,000 each occurrence, personal injury and property damage combined. Such policies shall be occurrence rather than claims-made policies and shall name the Commonwealth of Pennsylvania as an additional insured. The insurance shall not contain any endorsements or any other form designated to limit or restrict any action by the Commonwealth, as an additional insured, against the insurance coverage in regard to work performed for the Commonwealth.

Prior to commencement of the work under the contract and during the term of the contract, the Contractor shall provide the Department with current certificates of insurance. These certificates shall contain a provision that the coverages afforded under the policies will not be cancelled or changed until at least thirty (30) days' written notice has been given to the Department.

#### **K. PROPERTY AND SUPPLIES**

1. Contractor agrees to obtain all supplies and equipment for use in the performance of this contract at the lowest practicable cost and to purchase by means of competitive bidding whenever required by law.
2. Title to all property furnished in-kind by the Department shall remain with the Department.
3. Contractor has title to all personal property acquired by the contractor, including purchase by lease/purchase agreement, for which the contractor is to be reimbursed under this contract. Upon cancellation or termination of this contract, disposition of such purchased personal property which has a remaining useful life shall be made in accordance with the following provisions.
  - a. The contractor and the Department may agree to transfer any item of such purchased property to another contractor designated by the Department. Cost of transportation shall be born by the contractor receiving the property and will be reimbursed by the Department. Title to all transferred property shall vest in the designated contractor. The Department will reimburse the Contractor for its share, if any, of the value of the remaining life of the property in the same manner as provided under subclause b of this paragraph.
  - b. If the contractor wishes to retain any items of such purchased property, depreciation tables shall be used to ascertain the value of the remaining useful life of the property. The contractor shall reimburse the Department in the amount determined from the tables.
  - c. When authorized by the Department in writing, the contractor may sell the property and reimburse the Department for its share. The Department reserves the right to fix the minimum sale price it will accept.
4. All property furnished by the Department or personal property acquired by the contractor, including purchase by lease-purchase contract, for which the contractor is to be reimbursed under this contract shall be deemed "Department Property" for the purposes of subsection 5, 6 and 7 of this section.
5. Contractor shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, preservation and insurance of Department Property so as to assure its full availability and usefulness.
6. Department property shall, unless otherwise approved in writing by the Department, be used only for the performance of this contract.
7. In the event that the contractor is indemnified, reimbursed or otherwise compensated for any loss, destruction or damage to Department Property, it shall use the proceeds to replace, repair or renovate the property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall reimburse the Department, at the Department's direction.

**L. DISASTERS**

If, during the terms of this contract, the Commonwealth's premises are so damaged by flood, fire or other Acts of God as to render them unfit for use; then the Agency shall be under no liability or obligation to the contractor hereunder during the period of time there is no need for the services provided by the contractor except to render compensation which the contractor was entitled to under this agreement prior to such damage.

**M. SUSPENSION OR DEBARMENT**

In the event of suspension or debarment, 4 Pa Code Chapter 60.1 through 60.7, as it may be amended, shall apply.

**N. COVENANT AGAINST CONTINGENT FEES**

The contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee (excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business). For breach or violation of this warranty, the Department shall have the right to annul this contract without liability or, in its discretion, to deduct from

the consideration otherwise due under the contract, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

**O. CONTRACTOR'S CONFLICT OF INTEREST**

The contractor hereby assures that it presently has not interest and will not acquired any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The contractor further assures that in the performance of this contract, it will not knowingly employ any person having such interest. Contractor hereby certifies that no member of the Board of the contractor or any of its officers or directors has such an adverse interest.

**P. INTEREST OF THE COMMONWEALTH AND OTHERS**

No officer, member or employee of the Commonwealth and no member of its General Assembly, who exercises any functions or responsibilities under this contract, shall participate in any decision relating to this contract which affects his personal interest or the interest of any corporation, partnership or association in which he is, directly or indirectly, interested; nor shall any such officer, member or employee of the Commonwealth or member of its General Assembly have interest, direct or indirect, in this contract or the proceeds thereof.

**Q. CONTRACTOR RESPONSIBILITY TO EMPLOY WELFARE CLIENTS**

(Applicable to contracts \$25,000 or more)

1. The contractor, within 10 days of receiving the notice to proceed, must contact the Department of Public Welfare's Contractor Partnership Program (CPP) to present, for review and approval, the contractor's plan for recruiting and hiring recipients currently receiving cash assistance. If the contract was not procured via Request for Proposal (RFP); such plan must be submitted on Form PA-778. The plan must identify a specified number (not percentage) of hires to be made under this contract. If no employment opportunities arise as a result of this contract, the contractor must identify other employment opportunities available within the organization that are not a result of this contract. The entire completed plan (Form PA-778) must be submitted to the Bureau of Employment and Training Programs (BETP): Attention CPP Division. (Note: Do not keep the pink copy of Form PA-778). The approved plan will become a part of the contract.
2. The contractor's CPP approved recruiting and hiring plan shall be maintained throughout the term of the contract and through any renewal or extension of the contract. Any proposed change must be submitted to the CPP Division which will make a recommendation to the Contracting Officer regarding course of action. If a contract is assigned to another contractor, the new contractor must maintain the CPP recruiting and hiring plan of the original contract.
3. The contractor, within 10 days of receiving the notice to proceed, must register in the Commonwealth Workforce Development System (CWDS). In order to register the selected contractor must provide business, location and contact details by creating an Employer Business Folder for review and approval, within CWDS at [HTTPS://WWW.CWDS.STATE.PA.US](https://www.cwds.state.pa.us). Upon CPP review and approval of Form PA-778 and the Employer Business Folder in CWDS, the Contractor will receive written notice (via the pink Contractor's copy of Form PA-778) that the plan has been approved.
4. Hiring under the approved plan will be monitored and verified by Quarterly Employment Reports (Form PA-1540); submitted by the contractor to the Central Office of Employment and Training – CPP Division. A copy of the submitted Form PA-1540 must also be submitted (by the contractor) to the DPW Contract Monitor (i.e. Contract Officer). The reports must be submitted on the DPW Form PA-1540. The form may not be revised, altered, or re-created.
5. If the contractor is non-compliant, CPP Division will contact the Contract Monitor to request corrective action. The Department may cancel this contract upon thirty (30) days written notice in the event of the contractor's failure to implement or abide by the approved plan.

**R. TUBERCULOSIS CONTROL**

As recommended by the Centers for Disease Control and the Occupational Safety and Health Administration, effective August 9, 1996, in all State Mental Health and Mental Retardation Facilities, all



full-time and part-time employees (temporary and permanent), including contract service providers, having direct patient contact or providing service in patient care areas, are to be tested serially with PPD by Mantoux skin tests. PPD testing will be provided free of charge from the state MH/MR facility. If the contract service provider has written proof of a PPD by Mantoux method within the last six months, the MH/MR facility will accept this documentation in lieu of administration of a repeat test. In addition, documented results of a PPD by Mantoux method will be accepted by the MH/MR facility. In the event that a contractor is unwilling to submit to the test due to previous positive reading, allergy to PPD material or refusal, the risk assessment questionnaire must be completed. If a contractor refuses to be tested in accordance with this new policy, the facility will not be able to contract with this provider and will need to procure the services from another source.

#### **S. ACT 13 APPLICATION TO CONTRACTOR**

Contractor shall be required to submit with their bid information obtained within the preceding one-year period for any personnel who will have or may have direct contact with residents from the facility or unsupervised access to their personal living quarters in accordance with the following:

1. Pursuant to 18 Pa.C.S. Ch. 91 (relating to criminal history record information) a report of criminal history information from the Pennsylvania State Police or a statement from the State Police that their central repository contains no such information relating to that person. The criminal history record information shall be limited to that which is disseminated pursuant to 18 Pa.C.S. 9121(b)(2) (relating to general regulations).
2. Where the applicant is not, and for the two years immediately preceding the date of application has not been a resident of this Commonwealth, the Department shall require the applicant to submit with the application a report of Federal criminal history record information pursuant to the Federal Bureau of Investigation's under Department of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1973 (Public Law 92-544, 86 Stat. 1109). For the purpose of this paragraph, the applicant shall submit a full set of fingerprints to the State Police, which shall forward them to the Federal Bureau of Investigation for a national criminal history check. The information obtained from the criminal record check shall be used by the Department to determine the applicant's eligibility. The Department shall insure confidentiality of the information.
3. The Pennsylvania State Police may charge the applicant a fee of not more than \$10 to conduct the criminal record check required under subsection 1. The State Police may charge a fee of not more than the established charge by the Federal Bureau of Investigation for the criminal history record check required under subsection 2.

The Contractor shall apply for clearance using the State Police Background Check (SP4164) at their own expense. The forms are available from any State Police Substation. When the State Police Criminal History Background Report is received, it must be forwarded to the Department. State Police Criminal History Background Reports not received within sixty (60) days may result in cancellation of the contract.

#### **T. LOBBYING CERTIFICATION AND DISCLOSURE** (applicable to contracts \$100,000 or more)

Commonwealth agencies will not contract with outside firms or individuals to perform lobbying services, regardless of the source of funds. With respect to an award of a federal contract, grant, or cooperative agreement exceeding \$100,000 or an award of a federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding \$150,000 all recipients must certify that they will not use federal funds for lobbying and must disclose the use of non-federal funds for lobbying by filing required documentation. The contractor will be required to complete and return a "Lobbying Certification Form" and a "Disclosure of Lobbying Activities form" with their signed contract, which forms will be made attachments to the contract.

#### **U. AUDIT CLAUSE** (applicable to contracts \$100,000 or more)

This contract is subject to audit in accordance with the Audit Clause attached hereto and incorporated herein.

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## AUDIT CLAUSE A – SUBRECIPIENT

### Local Governments and Nonprofit Organizations

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The Commonwealth of Pennsylvania, Department of Public Welfare (DPW), distributes federal and state funds to local governments, nonprofit, and for-profit organizations. Federal expenditures are subject to federal audit requirements, and federal and state funding passed through DPW are subject to DPW audit requirements. If any federal statute specifically prescribes policies or specific requirements that differ from the standards provided herein, the provisions of the subsequent statute shall govern. The DPW provides the following audit requirements in accordance with the Commonwealth of Pennsylvania, Governor's Office, Management Directive 325.9, as amended August 20, 2009.

**Subrecipient** means an entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency. For purposes of this audit clause, a subrecipient is **not** a vendor that receives a procurement contract to provide goods or services that are required to provide the administrative support to carry out a federal program.

#### **A. Federal Audit Requirements – Local Governments and Nonprofit Organizations**

A local government and nonprofit organization must comply with all federal audit requirements, including: the Single Audit Act, as amended; the revised Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*; and any other applicable law or regulation, as well as any other applicable law or regulation that may be enacted or promulgated by the federal government.

A local government or nonprofit organization that expends federal awards of \$500,000 or more during its fiscal year, received either directly from the federal government, indirectly from a pass-through entity, or a combination of both, to carry out a federal program, **is required** to have an audit made in accordance with the provisions of OMB Circular A-133, as revised.

If a local government or nonprofit organization expends **total federal awards of less than \$500,000** during its fiscal year, it is exempt from these **federal** audit requirements, but is required to maintain auditable records of federal or state funds that supplement such awards. Records must be available for review by appropriate officials. **Although an audit may not be necessary under the federal requirements, DPW audit requirements may be applicable.**

#### **B. Department of Public Welfare Audit Requirements**

**A local government or nonprofit provider must meet the DPW audit requirements.**

Where a Single Audit or program-specific audit is conducted in accordance with the federal audit requirements detailed above, such an audit will be accepted by the DPW provided that:

1. A full copy of the audit report is submitted as detailed below; **and**
2. The subrecipient shall ensure that the audit requirements are met for the terms of this contract; i.e., the prescribed Attestation Report and applicable schedule requirement(s). The incremental cost for preparation of the Attestation Report and the schedule cannot be charged to the federal funding stream.

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**AUDIT CLAUSE A – SUBRECIPIENT**  
**Local Governments and Nonprofit Organizations**

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The local government or nonprofit organization must comply with all federal and state audit requirements including: the Single Audit Act Amendments of 1996; Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, as amended; and any other applicable law or regulation and any amendment to such other applicable law or regulation which may be enacted or promulgated by the federal government. **In the absence of a federally required audit**, the entity is responsible for the following annual audit requirements, which are based upon the program year specified in this agreement.

Institutions that **expends \$500,000 or more in combined state and federal funds** during the program year is required to have an audit of those funds made in accordance with generally accepted *Government Auditing Standards* (The Yellow Book), revised, as published by the Comptroller General of the United States. Where such an audit is not required to meet the federal requirements, the costs related to DPW audit requirements may not be charged to federal funding streams.

If in connection with the agreement, a local government or nonprofit organization **expends \$300,000 or more in combined state and federal funds** during the program year, the subrecipient shall ensure that, for the term of the contract, an independent auditor conducts annual examinations of its compliance with the terms and conditions of this contract, as well as applicable program regulations. These examinations shall be conducted in accordance with the American Institute of Certified Public Accountants' *Statements on Standards for Attestation Engagements (SSAE), Section 601, Compliance Attestation*, and shall be of a scope acceptable to the DPW. The initial Section 601 compliance examination shall be completed for the program year specified in the contract and conducted annually thereafter. The independent auditor shall issue a report on its compliance examination as defined in SSAE, Section 601. The incremental cost for preparation of the SSAE cannot be charged to federal funding streams.

The subrecipient shall submit the SSAE, Section 601, audit report (if applicable) to the DPW within 90 days after the program year has been completed. When SSAE, Section 601, audit reports are other than unqualified, the subrecipient shall submit to the DPW, in addition to the audit reports, a plan describing what actions the subrecipient will implement to correct the situation that caused the auditor to issue a qualified report, a timetable for implementing the planned corrective actions, a process for monitoring compliance with the timetable, and a contact person who is responsible for the resolution of the situation.

If the subrecipient enters into an agreement with a subcontractor(s) for the performance of any primary contractual duties, the audit requirements are applicable to the subcontractor(s) with whom the subrecipient has entered into an agreement. Consequently, the audit requirements should be incorporated into the sub-contractual document as entered by the subrecipient.

A local government or nonprofit entity that **expends less than \$300,000 combined state and federal funds** during the program year is exempt from DPW audit requirements, but is required to maintain auditable records for each contract year. Records must be available for review by appropriate officials of the DPW or a pass-through entity.

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**AUDIT CLAUSE A – SUBRECIPIENT**  
**Local Governments and Nonprofit Organizations**

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**GENERAL AUDIT PROVISIONS**

A local government or nonprofit organization is responsible for obtaining the necessary audit and securing the services of a certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

The Commonwealth reserves the right for federal and state agencies, or their authorized representatives, to perform additional audits of a financial and/or performance nature, if deemed necessary by Commonwealth or federal agencies. Any such additional audit work will rely on the work already performed by the subrecipient's auditor, and the costs for any additional work performed by the federal or state agency will be borne by those agencies at no additional expense to the subrecipient.

The Commonwealth reserves the right for state and federal agencies, or their authorized representatives, to perform financial and/or performance audits if deemed necessary. If it is decided that an audit of this contract will be performed, the subrecipient will be given advance notice. The subrecipient shall maintain books, records, and documents that support the services provided, that the fees earned are in accordance with the contract, and that the subrecipient has complied with the contract terms and conditions. The subrecipient agrees to make available, upon reasonable notice, at the office of the subrecipient, during normal business hours, for the term of this contract and the retention period set forth in this Audit Clause, any of the books, records, and documents for inspection, audit, or reproduction by any state or federal agency or its authorized representative.

The subrecipient shall preserve all books, records, and documents related to this contract for a period of time that is the greater of five years from the contract expiration date, until all questioned costs or activities have been resolved to the satisfaction of the Commonwealth, or as required by applicable federal laws and regulations, whichever is longer. If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any resulting final settlement.

Audit documentation and audit reports must be retained by the subrecipient's auditor for a minimum of five years from the date of issuance of the audit report, unless the subrecipient's auditor is notified in writing by the Commonwealth or the cognizant or oversight federal agency to extend the retention period. Audit documentation will be made available upon request to authorized representatives of the Commonwealth, the cognizant or oversight agency, the federal funding agency, or the Government Accountability Office.

Records that relate to litigation of the settlement of claims arising out of performance or expenditures under this contract to which exception has been taken by the auditors shall be retained by the subrecipient or provided to the Commonwealth at the DPW's option until such litigation, claim, or exceptions have reached final disposition.

Except for documentary evidence delivered pursuant to litigation or the settlement of claims arising out of the performance of the contract, the subrecipient may, in fulfillment of his obligation to retain records as required by this Audit Clause, substitute photographs, microphotographs, or other authentic reproductions of such records after the expiration of two years following the last day of the month of reimbursement to the contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Commonwealth.

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**AUDIT CLAUSE A – SUBRECIPIENT**  
**Local Governments and Nonprofit Organizations**

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**SUBMISSION OF AUDIT REPORTS TO THE COMMONWEALTH**

**A. Federally Required Audit Reports**

Submit an electronic copy of federally required audit reports to the Commonwealth, which shall include:

1. Auditor's reports
  - a. Independent auditor's report on the financial statements, which expresses an opinion on whether the financial statements are presented fairly in all material respects in conformity with the stated accounting policies.
  - b. Independent auditor's report on the supplementary Schedule of Expenditures of Federal Awards (SEFA), which should determine and provide an opinion on whether the SEFA is presented fairly in all material respects in relation to the subrecipient's financial statements taken as a whole. This report can be issued separately or combined with the independent auditor's report on the financial statements.
  - c. Report on internal control over financial reporting, compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
  - d. Report on compliance with requirements applicable to each major program and report on internal control in accordance with the circular.
  - e. Schedule of findings and questioned costs.
2. Financial statements and notes to the financial statements
3. SEFA and notes to the SEFA
4. Summary schedule of prior audit findings
5. Corrective action plan (if applicable)
6. Data collection form
7. Management letter (if applicable)

In instances where a federal program-specific audit guide is available, the audit report package for a program-specific audit may be different and should be prepared in accordance with the audit guide and OMB Circular A-133.

Effective July 1, 2009, the Office of the Budget, Office of Comptroller Operations, Bureau of Audits will begin accepting electronic submission of single audit/program-specific audit reporting packages. Electronic submission is required for the fiscal year ending December 31, 2008 and subsequent years. Instructions and information regarding submission of the single audit/program-specific audit reporting package are available to the public on Single Audit Submissions page of the Office of the Budget website (<http://www.budget.state.pa.us>). The

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**AUDIT CLAUSE A – SUBRECIPIENT**  
**Local Governments and Nonprofit Organizations**

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reporting package must be submitted electronically in single Portable Document Format (PDF) file to [RA-BOASingleAudit@state.pa.us](mailto:RA-BOASingleAudit@state.pa.us).

**Steps for submission:**

1. Complete the Single Audit/Program Specific Audit Reporting Package Checklist available on the Single Audit Submissions page of the Office of the Budget website (<http://www.budget.state.pa.us>). The Single Audit/Program Specific Audit Reporting Package Checklist ensures the subrecipient's reporting package contains all required elements.
2. Upload the completed Single Audit/Program-Specific Audit Reporting Package along with the Single Audit/Program Specific Audit Reporting Package Checklist in a single PDF file to an e-mail addressed to [RA-BOASingleAudit@state.pa.us](mailto:RA-BOASingleAudit@state.pa.us). In the subject line of the e-mail the subrecipient must identify the exact name on the Single Audit/Program-Specific Audit Reporting Package and the period end date to which the reporting package applies.

The subrecipient will receive an e-mail to confirm the receipt of the Single Audit/Program-Specific Audit Reporting Package, including the completed Single Audit/Program Specific Audit Reporting Package Checklist.

**B. DPW Required Audit Reports and Additional Submission by Subrecipients**

Submit **three copies** of the DPW required audit report package.

1. Independent Accountant's Report – on the Attestation of an entity's compliance with specific requirements during a period of time in accordance with the contract and the appropriate schedule, as required.
2. In addition, if OMB Circular A-133, §\_\_320 (e), *Submission by Subrecipients*, applies, please submit the audit requirements directly to:

U.S. Postal Service: Department of Public Welfare  
Bureau of Financial Operations  
Division of Financial Policy and Operations  
Audit Resolution Section  
3<sup>rd</sup> Floor, Bertolino Building  
P. O. Box 2675  
Harrisburg, Pennsylvania 17102-2675

Special Deliveries: 3<sup>rd</sup> Floor, Bertolino Building  
1401 North Seventh Street  
Harrisburg, Pennsylvania 17102  
Phone: (717) 787-8890 Fax: (717) 772-2522

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**AUDIT CLAUSE A – SUBRECIPIENT**  
**Local Governments and Nonprofit Organizations**

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**PERIOD SUBJECT TO AUDIT**

A federally required audit, made in accordance with OMB Circular A-133, encompasses the fiscal period of the provider. **Therefore, the period of the federally required audit may differ from the official reporting period as specified in this agreement.** Where these periods differ, the required supplement schedule(s) and Independent Auditor's Report on the Attestation must be completed for the official annual reporting period of this agreement that ended during the period under audit and shall accompany the federally required audit.

**CORRECTIVE ACTION PLAN**

The provider shall prepare a corrective action plan (CAP) to address all findings of noncompliance, internal control weaknesses, and/or reportable conditions disclosed in the audit report. For each finding noted, the CAP should include: (1) a brief description identifying the findings; (2) whether the provider agrees with the finding; (3) the specific steps to be taken to correct the deficiency or specific reasons why corrective action is not necessary; (4) a timetable for completion of the corrective action steps; and (5) a description of monitoring to be performed to ensure that the steps are taken (6) the responsible party for the CAP.

**REMEDIES FOR NONCOMPLIANCE**

The provider's failure to provide an acceptable audit, in accordance with the requirements of the Audit Clause Requirements, may result in the DPW's not accepting the report and initiating sanctions against the provider that may include the following:

- Disallowing the cost of the audit.
- Withholding a percentage of the contract funding pending compliance.
- Withholding or disallowing administrative costs.
- Suspending subsequent contract funding pending compliance.

**TECHNICAL ASSISTANCE**

Technical assistance on the DPW's audit requirements, and the integration of those requirements with the federal Single Audit requirements, will be provided by:

Department of Public Welfare  
Bureau of Financial Operations  
Division of Financial Policy and Operations  
Audit Resolution Section  
3<sup>rd</sup> Floor, Bertolino Building  
P.O. Box 2675  
Harrisburg, Pennsylvania 17105-2675  
Phone: (717) 787-8890 FAX: (717) 772-2522



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**AUDIT CLAUSE A – SUBRECIPIENT**  
**Local Governments and Nonprofit Organizations**  
**ENCLOSURE I**

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The Department of Public Welfare (DPW) requires an Independent Accountant's Report on the Attestation to be in the format described by the American Institute of Certified Public Accountants (AICPA). The following is the form of report an Independent Accountant should use when expressing an opinion on an entity's compliance with specified requirements during a period of time. For further guidance, refer to the AICPA guidelines.

**Independent Accountant's Report**

[Introductory Paragraph]

We have examined [*name of entity*]'s compliance with [*list specific compliance requirement*] during the [*period*] ended [*date*]. Management is responsible for [*name of entity*]'s compliance with those requirements. Our responsibility is to express an opinion on [*name of entity*]'s compliance based on our examination.

[Scope Paragraph]

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about [*name of entity*]'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on [*name of entity*]'s compliance with specified requirements.

[Opinion Paragraph]

In our opinion, [*name of entity*] complied, in all material respects, with the aforementioned requirements for the year ended December 31, 20XX.

[DATE]

[SIGNATURE]

COMMONWEALTH TRAVEL RATES

THE FOLLOWING RATES ESTABLISHED BY THE DEPARTMENT FOR ITS CONTRACTORS SHALL APPLY.

TRAVEL

THE MILEAGE ALLOWANCE SHALL BE FIFTY FIVE AND A HALF (55.5) CENTS PER MILE FOR MILES INCURRED BY THE CONTRACTOR'S EMPLOYEES IN DRIVING HIS/HER PERSONAL VEHICLE. TRAVEL COSTS WILL ONLY BE ALLOWED IN THE PERFORMANCE OF THIS CONTRACT.

LODGING RATE ALLOWANCES

- (1) THE PER NIGHT LODGING RATE ALLOWANCES LISTED BELOW ARE TO BE USED BY EMPLOYEES AUTHORIZED TO INCUR OVERNIGHT LODGING EXPENSES:

| <u>CITY LOCATION</u>            | <u>COUNTY</u>  | <u>ALLOWANCE</u> |
|---------------------------------|----------------|------------------|
| Beaver Falls                    | Beaver         | \$100 plus tax   |
| Burlington , NJ                 | Burlington, NJ | \$100 plus tax   |
| Butler                          | Butler         | \$100 plus tax   |
| Camden , NJ                     | Camden, NJ     | \$100 plus tax   |
| Chester/Radnor                  | Delaware       | \$100 plus tax   |
| Greensburg                      | Westmoreland   | \$100 plus tax   |
| King of Prussia/Fort Washington | Montgomery     | \$100 plus tax   |
| Kittanning                      | Armstrong      | \$100 plus tax   |
| Philadelphia                    | Philadelphia   | \$100 plus tax   |
| Pittsburgh                      | Allegheny      | \$100 plus tax   |
| Valley Forge/Malvern            | Chester        | \$100 plus tax   |
| Washington                      | Washington     | \$100 plus tax   |
| Woodbury, NJ                    | Gloucester, NJ | \$100 plus tax   |
| All Other Locations             | PA/U.S.        | \$75 plus tax    |

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(b) THE COMMONWEALTH IS NOT SUBJECT TO THE FOLLOWING TAXES AND EMPLOYEES SHOULD MAKE EVERY EFFORT TO HAVE THEM ELIMINATED. HOWEVER, IF THE TAX MUST BE PAID, THE COMMONWEALTH WILL REIMBURSE THE EMPLOYEE FOR ACTUAL EXPENSES INCURRED. COMPTROLLERS SHOULD DELETE THESE TAXES FROM THE HOTEL/MOTEL INVOICE WHEN A HOTEL ORDER IS USED.

\*HOTEL ROOM RENTAL TAX (53 P.S. §16223) *PENNSYLVANIA CONVENTION CENTER AUTHORITY ACT*. A LOCAL HOTEL ROOM RENTAL TAX IMPOSED BY FIRST CLASS CITIES OR FIRST CLASS COUNTIES TO FUND CONSTRUCTION OF CONVENTION CENTERS (ALLEGHENY, BUCKS, DELAWARE, MONTGOMERY AND PHILADELPHIA). THE AMOUNT OF THE TAX CAN RANGE FROM ONE TO SIX PERCENT.

\*LOCAL SALES, USE AND HOTEL OCCUPANCY TAX AUTHORIZED BY THE *PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY ACT* FOR CITIES OF THE FIRST CLASS (53 P.S. §17220.501 ET SEQ.) AND THE SECOND CLASS COUNTY CODE (16 P.S. §6152-B). THE ONE PERCENT TAX IS IMPOSED IN A TAXABLE COUNTY ON THE OCCUPANCY OF HOTEL/MOTEL ROOMS (PHILADELPHIA, ALLEGHENY).

NOTE: *MANAGEMENT DIRECTIVE 230.13, COMMONWEALTH CORPORATE CARD PROGRAM, REVISION NO. 1*, CONTAINS A COPY OF THE PENNSYLVANIA EXEMPTION CERTIFICATE TO BE USED WITH THE CORPORATE CARD TO EXEMPT EMPLOYEES TRAVELING ON OFFICIAL BUSINESS FROM LOCAL OCCUPANCY TAXES.

SUBSISTENCE-OVERNIGHT TRAVEL

REIMBURSEMENT FOR MEALS AND OTHER SUBSISTENCE EXPENSES IS ALLOWED TO A MAXIMUM OF \$36, WHICH INCLUDES TIPS AND SALES TAX, FOR EACH TWENTY-FOUR HOUR PERIOD SPENT IN A CONTINUOUS OVERNIGHT TRAVEL STATUS. THE TWENTY-FOUR HOUR PERIOD BEGINS AT ANY TIME OF DAY OR NIGHT THAT THE CONTRACTOR LEAVES HEADQUARTERS OR RESIDENCE TO EMBARK UPON OVERNIGHT TRAVEL ON OFFICIAL BUSINESS.

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|                          |         |
|--------------------------|---------|
| 9 to less than 15 hours  | \$18.00 |
| 15 to less than 21 hours | \$27.00 |
| 21 to 24 hours           | \$36.00 |

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DOCUMENTATION

ITEMIZED RECEIPTS FOR TRAVEL AND SUBSISTENCE MUST BE ON FILE TO SUPPORT REIMBURSEMENTS.

NOTE:

ALL RATES LISTED ABOVE ARE SUBJECT TO CHANGE IN ACCORDANCE WITH CURRENT RATES ESTABLISHED BY MANAGEMENT DIRECTIVE 230.10.

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LOBBYING CERTIFICATION FORM

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that

(1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, 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 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 shall complete and submit Standard Form-LLL, Disclosure of Lobbying Activities, in accordance with its instructions.

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

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

SIGNATURE: Carolyn M. Royalk

TITLE: Chairperson

DATE: July 1, 2012

## INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

# DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB

0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352  
(See reverse for public burden disclosure.)

|  |   |  |
|--|---|--|
| <b>1. Type of Federal Action:</b><br><input type="checkbox"/> a. contract<br><input type="checkbox"/> b. grant<br><input type="checkbox"/> c. cooperative agreement<br><input type="checkbox"/> d. loan<br><input type="checkbox"/> e. loan guarantee<br><input type="checkbox"/> f. loan insurance  | <b>2. Status of Federal Action:</b><br><input type="checkbox"/> a. bid/offer/application<br><input type="checkbox"/> b. initial award<br><input type="checkbox"/> c. post-award | <b>3. Report Type:</b><br><input type="checkbox"/> a. initial filing<br><input type="checkbox"/> b. material change<br><b>For Material Change Only:</b><br>year _____ quarter _____<br>date of last report _____ |
| <b>4. Name and Address of Reporting Entity:</b><br><input type="checkbox"/> Prime <input type="checkbox"/> Subawardee<br>Tier _____, if known: _____<br><br>Congressional District, if known: 4c   | <b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b><br><br><br>Congressional District, if known: _____                                     |  |
| <b>6. Federal Department/Agency:</b>   | <b>7. Federal Program Name/Description:</b><br><br>CFDA Number, if applicable: _____  |  |
| <b>8. Federal Action Number, if known:</b>   | <b>9. Award Amount, if known:</b><br>\$ _____   |  |
| <b>10. a. Name and Address of Lobbying Registrant</b><br><i>(if individual, last name, first name, MI):</i>  | <b>b. Individuals Performing Services (including address if different from No. 10a)</b><br><i>(last name, first name, MI):</i>  |  |
| <b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the user above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. | Signature: _____<br>Print Name: _____<br>Title: _____<br>Telephone No.: _____ Date: _____   |  |
| <b>Federal Use Only:</b>   |   | Authorized for Local Reproduction<br>Standard Form LLL (Rev. 7-97)   |