# STATE OF DELAWARE

***DELAWARE HEALTH***
***AND SOCIAL SERVICES***
DIVISION OF MANAGEMENT SERVICES
1901 N. DuPont Highway
New Castle, DE 19720

## REQUEST FOR PROPOSAL NO. PSC0763

## FOR

## ELDER MENTAL HEALTH OUTREACH, ENGAGEMENT AND EDUCATIONAL PROGRAM SERVICES

## DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH
## 1901 N. DUPONT HIGHWAY
## NEW CASTLE, DE 19720

**DEPOSIT** **WAIVED**
**PERFORMANCE BOND** **WAIVED**

**DATE DUE** **June 22, 2007**
**11:00 A.M. LOCAL TIME**

**A mandatory pre-bid meeting will be held on Friday, May 18, 2007 at 10:00 AM in Room 198, Main Administration Building, Herman Holloway Campus, 1901 N. Dupont Highway, New Castle, DE 19720 . CONTACT DARLENE PLUMMER AT (302) 255-9430 FOR INQUIRIES.**

**DELAWARE HEALTH AND SOCIAL SERVICES**
**DIVISION OF MANAGEMENT SERVICES**
**PROCUREMENT BRANCH**
**HERMAN M. HOLLOWAY SR. HEALTH AND SOCIAL SERVICES CAMPUS**
**1901 N. DUPONT HIGHWAY**
**NEW CASTLE, DELAWARE 19720**

REQUEST FOR PROPOSAL #PSC0763

Sealed proposals for the Elder Mental Health Outreach, Engagement and Educational Program Services for the Division of Substance Abuse and Mental Health 1901 N. DuPont Highway, Herman M Holloway Campus, New Castle, DE 19720, will be received by the Delaware Health and Social Services, Procurement Branch, Main Administration Building, Second Floor, Room #259, (South Loop), 1901North DuPont Highway, Herman M. Holloway Sr. Health and Social Services Campus, New Castle, Delaware 19720, until 11:00 A.M. local time, on June 22, 2007, at which time they will be opened, read and recorded. For further information concerning this RFP, please contact Darlene Plummer **(302) 255-9430**. A mandatory pre-bid meeting will be held at 10:00 AM ON May 18, 2007 in Room 198, Main Administration Building, Herman Holloway Campus, 1901 N. Dupont Highway, New Castle, DE 19720. A brief "Letter of Interest" must be submitted with your proposal. Specifications and Administration Procedures may be obtained at the above office, Phone (302) 255-9290.

**NOTE TO VENDORS:** Your proposal **must be signed** and all information on the signature page completed.

If you do not intend to submit a bid and you wish to be kept on our mailing list you are required to return the face sheet with **"NO BID"** stated on the front with your **company's Name, address and signature.**

**IMPORTANT: ALL PROPOSALS MUST HAVE OUR SEVEN-DIGIT PSC# NUMBER ON THE OUTSIDE ENVELOPE. IF THIS NUMBER IS OMITTED YOUR PROPOSAL WILL IMMEDIATELY BE REJECTED.**

FOR FURTHER BIDDING INFORMATION PLEASE CONTACT:

SANDRA SKELLEY
DELAWARE HEALTH AND SOCIAL SERVICES
PROCUREMENT BRANCH
1901 NORTH DUPONT HIGHWAY
HERMAN M. HOLLOWAY SR. HEALTH AND
SOCIAL SERVICES CAMPUS
NEW CASTLE, DELAWARE 19720
PHONE: (302) 255-9290

This contract resulting from this RFP shall be valid for the period of time as stated in the contract. There will be a ninety (90) day period during which the agency may extend the contract period for renewal if needed.

If a bidder wishes to request a debriefing, they must submit a formal letter to the Procurement Administrator, Delaware Health and Social Services, Main Administration Building, Second Floor, (South Loop), 1901 North DuPont Highway, Herman M. Holloway Sr., Health and Social Services Campus, New Castle, Delaware 19720, within ten (10) days after receipt of "Notice of Award". The letter must specify reasons for request.

# IMPORTANT: DELIVERY INSTRUCTIONS

**IT IS THE RESPONSIBILITY OF THE BIDDER TO ENSURE THAT THE PROPOSAL HAS BEEN RECEIVED BY THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES BY THE DEADLINE.**

**DELAWARE HEALTH AND SOCIAL SERVICES**
**REQUEST FOR PROPOSAL**

**CERTIFICATION SHEET**

As the official representative for the proposer, I certify on behalf of the agency that:

a. They are a regular dealer in the services being procured.
b. They have the ability to fulfill all requirements specified for development within this RFP.
c. They have independently determined their prices.
d. They are accurately representing their type of business and affiliations.
e. They will secure a Delaware Business License.
f. They have acknowledged that no contingency fees have been paid to obtain award of this contract.
g. The Prices in this offer have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other contractor or with any competitor;
h. Unless otherwise required by Law, the prices which have been quoted in this offer have not been knowingly disclosed by the contractor and prior to the award in the case of a negotiated procurement, directly or indirectly to any other contractor or to any competitor; and
i. No attempt has been made or will be made by the contractor in part to other persons or firm to submit or not to submit an offer for the purpose of restricting competition.
j. They have not employed or retained any company or person (other than a full-time bona fide employee working solely for the contractor) to solicit or secure this contract, and they have not paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the contractor) any fee, commission percentage or brokerage fee contingent upon or resulting from the award of this contract.
k. They (check one) operate ___an individual; _____a Partnership ____a non-profit (501 C-3) organization; _____a not-for-profit organization; or _____for Profit Corporation, incorporated under the laws of the State of Del.
l. The referenced offerer has neither directly or indirectly entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this bid submitted this date to Delaware Health and Social Services.
m. The referenced bidder agrees that the signed delivery of this bid represents the bidder's acceptance of the terms and conditions of this invitation to bid including all specifications and special provisions.

n. They (check one): _____are; _____are not owned or controlled by a parent company. If owned or controlled by a parent company, enter name and address of parent company:

_____
_____
_____
_____

**Violations and Penalties:**

Each contract entered into by an agency for professional services shall contain a prohibition against contingency fees as follows:

1. The firm offering professional services swears that it has not employed or retained any company or person working primarily for the firm offering professional services, to solicit or secure this agreement by improperly influencing the agency or any of its employees in the professional service procurement process.
2. The firm offering the professional services has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working primarily for the firm offering professional services, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this agreement; and
3. For the violation of this provision, the agency shall have the right to terminate the agreement without liability and at its discretion, to deduct from the contract price, or otherwise recover the full amount of such fee, commission, percentage, gift or consideration.

The following conditions are understood and agreed to:

a. No charges, other than those specified in the cost proposal, are to be levied upon the State as a result of a contract.

b. The State will have exclusive ownership of all products of this contract unless mutually agreed to in writing at the time a binding contract is executed.

_____ _____

Date Signature & Title of Official Representative

_____

Type Name of Official Representative

**Notification to Bidders**

"Bidder shall list all contracts awarded to it or its predecessor firm(s) by the State of Delaware; during the last three years, by State Department, Division, Contact Person (with address/phone number), period of performance and amount. The Evaluation/Selection Review Committee will consider these additional references and may contact each of these sources. Information regarding bidder performance gathered from these sources may be included in the Committee's deliberations and factored in the final scoring of the bid. Failure to list any contract as required by this paragraph may be grounds for immediate rejection of the bid."

OFFICE OF MINORITY AND WOMEN BUSINESS ENTERPRISE SELF-CERTIFICATION FORM
IF YOUR FIRM WISHES TO BE CONSIDERED FOR ONE OF THE CLASSIFICATIONS LISTED BELOW, THIS PAGE MUST BE SIGNED, NOTARIZED AND RETURNED WITH YOUR PROPOSAL.

_____

COMPANY NAME-
_____

NAME OF AUTHORIZED REPRESENTATIVE (Please print)
_____

SIGNATURE_____

COMPANY
ADDRESS_____
TELEPHONE #_____-
_____

FAX
#_____
EMAIL
ADDRESS_____
FEDERAL EI#
_____

STATE OF DE BUSINESS
LIC#_____

Note: Signature of the authorized representative must be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Delaware Health and Social Services.

Organization Classifications (Please circle)
Women Business Enterprise (WBE) Yes/No
Minority Business Enterprise (MBE) Yes/No
PLEASE CHECK ONE---CORPORATION _____ PARTNERSHIP_____INDIVIDUAL _____

For appropriate certification (WBE), (MBE), (DBE) please apply to Office of Minority & Women Business Enterprise Phone #' (302) 739-4206 (L. Jay Burks)
Fax# (302) 739-5661 Certification #_____ Certifying Agency_____

http://www.state.de.us/omwbe

SWORN TO AND SUBSCRIBED BEFORE ME THIS _____DAY OF _____20_____

NOTARY PUBLIC_____MY COMMISION EXPIRES _____

CITY OF _____COUNTY OF _____STATE OF_____

# Definitions

The following definitions are from the State Office of Minority and Women Business Enterprise.

**Women Owned Business Enterprise (WBE)**:
At least 51% is owned by a women, or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by women; or any business enterprise that is approved or certified as such for purposes of participation in contracts subject to women-owned business enterprise requirements involving federal programs and federal funds.

**Minority Business Enterprise (MBE):**
At least 51% is owned by minority group members; or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by minority group members; or any business enterprise that is approved or certified as such for purposes of participation in contracts subjects to minority business enterprises requirements involving federal programs and federal funds.

## Corporation:

An artificial legal entity treated as an individual, having rights and liabilities distinct from those of the persons of its members, and vested with the capacity to transact business, within the limits of the powers granted by law to the entity.

**Partnership:**
An agreement under which two or more persons agree to carry on a business, sharing in the profit or losses, but each liable for losses to the extent of his or her personal assets.

**Individual:**
Self-explanatory

For Certification in one of above bidder must contract:
L. Jay Burks
OFFICE OF MINORITY AND WOMEN BUSINESS ENTERPRISE
(302) 739-4206
Fax (302) 739-5661

REQUEST FOR PROPOSALS (No. PSC-0763)

# *ELDER MENTAL HEALTH OUTREACH, ENGAGEMENT AND EDUCATIONAL PROGRAM SERVICES*

**Division of Substance Abuse and Mental Health**

**A <u>MANDATORY</u> pre-bid meeting will be held on May 18, 2007 at 10:00am in Room 198, Main Administration Building, Herman Holloway Campus, 1901 N Dupont Highway, New Castle, DE 19720**

BRIEF LETTERS OF INTEREST MUST BE SUBMITTED
AT THE PRE-BID MEETING

STATE OF DELAWARE
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH
1901 North DuPont Highway
New Castle, Delaware 19720

Issued: May 7, 2007

**The issuance of this Request for Proposals (RFP) neither commits the Delaware Department of Health and Social Services, Division of Substance Abuse and Mental Health, to award a contract, to pay any costs incurred in the preparation of a proposal or subsequent negotiations, nor to procure or contract for the proposed services. The Division reserves the right to reject or accept any or all proposals or portion thereof, to cancel in part or in its entirety this Request for Proposals, or to delay implementation of any contract which may result, as may be necessary to meet the Department's funding limitations and processing constraints. The Department and Division reserve the right to terminate any contractual agreement without prior notice in the event that the State determines that State or Federal funds are no longer available to continue the contract.**

## I. ORGANIZATIONAL SYSTEM OVERVIEW

**Delaware Health and Social Services (DHSS),** created in 1970, is the largest single state agency in Delaware. The Secretary of Health and Social Services directs and integrates the activities of 11 separate divisions/units. All of the state agencies providing institution-based care and community support services to adults with psychiatric disabilities other than Division of Vocational Rehabilitation, the Department of Education and the Department of Correction are under the purview of the Secretary. Divisions included within the Department are: Substance Abuse and Mental Health; Child Support Enforcement; Management Services; Developmental Disabilities Services; Public Health; Services for Aging and Adults with Physical Disabilities; Social Services; State Service Centers; Visually Impaired, Office of the Medical Examiner and Long-Term Care Residents Protection.

Responsibility for Delaware's public mental health services is divided between two cabinet level agencies: Delaware Health and Social Services/Division of Substance Abuse and Mental Health, for persons 18 years old and older, and the Department of Services for Children, Youth and Their Families/Division of Child Mental Health Services, for persons under the age of 18 years. Coordination between the two departments is accomplished through the Governor's Cabinet, direct communication between the Secretaries and Division Directors, and ongoing liaison between staff of the Divisions of Substance Abuse and Mental Health and Child Mental Health Services. There are no city or county funded public human services.

**The Division of Substance Abuse and Mental Health** (DSAMH, the Division) is responsible the Single State Agency for Mental Health and Substance Abuse services. As such, the Division receives Federal and State dollars for the sole purpose of administering mental health, substance abuse and gambling prevention and treatment services in Delaware.

Central Office. Administration of statewide substance abuse services and mental health services for adults 18 years of age and older is the function of the Central Office. The Central Office has the following responsibilities: implementing Delaware Health and Social Services policy; setting mission, values, and policy within the Division; planning and allocating resources and developing services; managing state and federal inter-governmental relations; managing the delivery system; and managing the flow of consumers with serious mental health illness and substance abuse disorders into long term community support programs. The Central Office includes the following sections: Administrative Services (MIS, Fiscal, Quality Improvement); Planning and Program Development; Human Resource Development and Training; Office of the Director/Deputy Director inclusive of the Office of Consumer Affairs. A Director of Substance Abuse Services oversees the substance abuse and gambling service system for the Division.

Delaware Psychiatric Center. The Delaware Psychiatric Center (DPC) is the single state psychiatric hospital. DPC operates two discrete programs: a 200-bed long-term psychiatric hospital, a 42-bed forensic program, and a 39-bed psychiatric nursing facility.

Crisis Services. These include 24/7 crisis intervention services including mobile intervention, crisis phone intervention, collaboration with police and Hospital emergency room staff in managing crisis interventions, etc. The goal of the mobile crisis approach is to assist in ameliorating a psychiatric crisis.

Substance Abuse Services. The Division operates, directly or through contracts with private agencies, primary prevention and treatment services throughout the state. Treatment services include: Outpatient evaluation and counseling; methadone maintenance; case management services, including intensive multi-disciplinary teams; short and long term residential programs; and residential detoxification services. The Treatment Access Center (TASC), providing targeted services and liaison with the Courts and criminal justice system; and services directed toward problem/compulsive gambling.

Community Support Program Structure For Adults

Over the last thirteen years, DSAMH focused on developing a statewide system of community support programs (CSPs) dedicated to meeting the multiple needs of adults with severe and persistent mental illness. All programs are designed to serve approximately 100 consumers. In many cases, one agency operates more than one community support program. However, each community support program operates with a high degree of resource control and clinical autonomy. Services are delivered via a team approach referred to as *Continuous Treatment Teams (CTT)*. The CTTs are based on the Program of Assertive Community Treatment model. As of January 1, 2002, there were 12 CTT programs operating in the State.

Four *Community Mental Health Clinics*, located in Wilmington, Newark, Dover and Georgetown, provide outpatient mental health treatment services throughout the state. Services include: short-term counseling; psychiatric and supportive counseling; crisis intervention; limited case management; and medication administration and monitoring.

There are three *day programs* operating in Delaware. One program, serving consumers in New Castle County and two programs serving consumers in Kent and Sussex Counties, provide facility-based rehabilitative services in a group format.

*Twenty-four hour supervised residences (group homes)* are organized as self-contained programs. There are fourteen 24-hour supervised group residences (ten in New Castle County, one in Kent County and three in Sussex County), each ranging in capacity from seven to ten residents. Four of the group homes, referred to as the Meadows program, are located in buildings on a DHSS campus in southern New Castle County. The Meadows program is specifically designed to serve consumers, 55 years of age and older.

## II BACKGROUND

Older persons require the same mental health services as younger persons such as prevention services, diagnostic services, treatment planning, crisis intervention, psychotherapy, etc., but **these services must be tailored to their specific needs and circumstances.** They also need specialized facilitative and supportive services such as outreach, home visits, and transportation services as well as comprehensive case management strategies to facilitate their interaction with other community-based organizations and services.

## Objectives

**To decrease fear in older persons of mental health stigma by increasing public awareness and knowledge of the special mental health needs and problems of older persons, including alternative solutions and approaches to services and treatments needed by this population group.**

**To promote a "Gatekeeper" (cf. http://www.innovations.harvard.edu/awards.html?id=3538) approach to the prevention of mental illness and its treatment.**

**To promote a non-fragmented system of care for older adults based on the principles of long term care, wellness and recovery.**

**To promote the development and implementation of non-traditional mental health prevention, early intervention and treatment programs that specifically target older persons.**

**To promote the use of Evidence Based Practices in serving the elderly with mental health disorders as well as co-occurring substance use (e.g.,** https://ncadistore.samhsa.gov/catalog/productDetails.aspx?ProductID=16523**)**
**and somatic health conditions (e.g.** http://jah.sagepub.com/cgi/content/abstract/16/1/3

## III. Applicant Organization Eligibility

Eligibility for response to this Request for Proposal (RFP) is extended to all profit, non-profit, not for profit and faith based organizations who have documented experience in providing the requested services..

## IV. TARGET POPULATION

The program will serve persons age 60 years and older, at risk for developing a mental illness, those with a mental illness including those persons with a dual diagnosis of mental illness and chemical dependency as well as somatic disorders (e.g. diabetes, heart disease, arthritis, etc.).

The target population includes:

- Individuals who are 60 years of age and over;

- Who have a diagnosis of mental illness as defined in the DSAM-IV-TR or are at risk for developing a mental illness. Some examples include but not limited to:

  Schizophrenic Disorders (295.1, 295.2, 295.3, 295.6, 295.9)
  Delusional Disorders (297.10)
  Psychotic Disorders (295.7)
  Mood Disorders
  - Depressive Disorders (296.32, 296.33, 296.34)
  - Bipolar Disorders (296.4, 296.5, 296.6, 296.7)

  Personality Disorders (301)
  - Schizotypal Personality Disorder (301.22)
  - Borderline Personality Disorder (301.83)

  Anxiety Disorders (300).

  - Individuals with a mental illness and a co morbid substance use disorder.

- That has resulted or could result in functional impairment which substantially interferes with or limits one or more major life activities

- Those individuals who meet the DSM-IV-TR criteria for "Delirium, Dementia, and Amnestic and Other Cognitive Disorders are not eligible for services under this contract (with the exception of VI, 1, e) below). However, those individuals who manifest psychiatric symptoms associated with dementia, such as depression, hallucinations, delusions and anxiety would be eligible for the services under this contract.

## V. SCOPE OF SERVICES

The Elder Mental Health Outreach, Engagement and Educational Program must, at a minimum, meet the following service requirements:

1) Develop and implement an **educational program** targeting professionals and other caregivers who serve the elderly and individuals who meet the eligibility criteria for this program. This educational component is to be developed in conjunction with a consulting psychiatrist board certified in geriatric psychiatry. The educational program must:

   a. Provide information to staff at senior centers, State service staff serving the elderly (e.g. DSAAPD, DPH, DSS, etc.), the State's four Federally Qualified Health Center, faith community providers and other non-physician providers serving the elderly

throughout the State on the signs and symptoms of mental illness and substance use disorders among the elderly, referral information, service availability, etc.

b. Provide information to Elder Delawareans regarding the signs, symptoms and treatment of mental illness and substance use disorders – this information should be targeted at both individuals who may have a mental illness and their caregivers. Community outreach presentations to older adults and aging service providers are offered to increase understanding of mental illness in older persons and reduce the stigma attached to mental illness. This aspect of the program may "partner" with other health related educational program targeting seniors in Delaware.

c. Provide information collaboratively to General Practitioners throughout the State regarding state of the art treatment of mental illness in an aging population, including issues relating to prescription drug abuse, drug-drug interaction specifically with reference to psychotropic medications and other somatic medications, potential side effects of psychotropic medications and strategies to minimize or ameliorate these, etc.

d. Provide physician-to-physician (psychiatrist to non-psychiatrist physician) consultation in cases where a physician is not adequately treating an individual's mental illness, treating them in such a way that other physical health problems emerge or are exacerbated, or have requested consultative advice on treatment strategies.

e. Incorporate information in all aspects of the educational component of this program on the DSM-IV-TR criteria for "Delirium, Dementia, and Amnestic and Other Cognitive Disorders." The goal is to promote an understanding of these disorders, how they differ from mental illness and the need for caregivers and support programs to refer individuals to providers who specialize in these disorders.

2) Provide an aggressive outreach and engagement program that **engages** individuals who may meet criteria as well as their caregivers, **screen** for mental illness and possible co-morbid substance use disorders, and **assist the individuals and their caregivers in accessing appropriate care**.

   a. The aforementioned "assistance" may include assistance with transportation, making appointments with providers, assistance in both understanding entitlements and accessing entitlements, working with caregivers in understanding applicable information about mental illness, medical interventions, substance use disorders, etc.

   b. Use a **case management** model to manage services for individuals deemed eligible for services, successfully engage both with the individual directly and with all appropriate providers and the various support programs serving individuals who have a mental illness, a substance use disorder and programs that coordinate care for the elderly (e.g. DSAAPD). Case management is to be a short-term support that has the goal to successfully engage the individual with appropriate community supports.

3) All program educational activities will be developed with the goal of minimizing the stigma associated with mental illness and the treatment of mental illness and co morbid substance use disorders.

4) The program should strive to make use of peer specialists (i.e. individuals who are 60 years + in age and have either a mental illness or significant experience providing supports to individuals who are elderly and have a mental illness) whenever possible throughout all contract funded activities.

5) The program is to develop and distribute culturally sensitive information about accessing community-based mental health services for older persons.

6) The program is to be implemented **statewide and is to be highly mobile**, meeting the needs, as defined in this RFP, for individuals throughout the State.

7) The program will identify practitioners throughout the State who provide psychiatric and psychological services to the elderly, highlighting and working with those providers that serve individuals with co-occurring conditions (mental health, substance abuse and somatic illness). The program should also identify providers based on the type of payments they accept (e.g. Medicaid, Medicare, sliding fee or reduced payment, etc.).

8) The program will develop a set of outcome/performance measures by which to gauge its relative success and areas of improvement.

9) The program must provide a structured opportunity for interdisciplinary educational experiences (externships, research partnership, volunteer supports) with the goal to expose students to the broader community based social service field (medicine, nursing, social work, psychology, etc.)

10) DSAMH will develop a Steering committee consisting of representatives of DSAMH, DSAAPD, the Delaware Suicide Prevention Coalition, other pertinent service providers and interested members of the public. The role of this committee is to routinely meet with the provider to monitor implementation and program activities, to monitor program outcomes and to provide both technical assistance and direction to the provider in meeting the needs of individuals in this program.

## VI. AVAILABLE FUNDING

The total available funding for the Elder Mental Health Outreach, Engagement and Educational Services Program is allocated at a maximum of $300,000 annually.

## VII. PROGRAM EVALUATION – PERFORMANCE MEASUREMENT

The successful applicant will work together with DSAMH to establish a data reporting process to monitor and evaluate program performance on both a monthly and on-going basis.

## VIII. PROPOSED SCHEDULE OF EVENTS

| EVENT | DATE |
|---|---|
| Publish Request For Proposals | 05/07/07 |
| Pre-Submission Meeting (Mandatory) | 05/18/07 10:00 am |
| Deadlines for Questions | 05/22/07 4:30pm |
| Answers to Questions distributed | 05/25/07 4:30pm |
| Submission Deadline | On or before 11:00am 06/22/07 |
| Notification of Award (estimate) | 07/06/07 |
| Sign Contract (estimate) | 07/18/07 |
| Service Delivery to begin | 08/20/07 |

## IX. MANDATORY PRE-SUBMISSION MEETING

All parties interested in submitting proposals MUST ATTEND the pre-submission meeting, which will be held on May 18, 2007 at 10:00am local time. The meeting will be held in Room 198, Main Administration Building, Herman Holloway Campus, 1901 N. Dupont Highway, New Castle, DE 19720. The purpose of the MANDATORY meeting will be to answer questions regarding solicitation procedures and programmatic issues. Individuals having questions about the meeting should contact Ms. Darlene Plummer, at the Division of Substance Abuse and Mental Health, at (302) 255-9430. No proposals will be accepted by parties other than those attending the mandatory pre-submission meeting.

## X. SELECTION PROCESS

All proposals submitted, by organizations meeting Applicant Organization Eligibility criteria in response to this RFP will be reviewed by a Proposal Review Team. The Proposal Review Team will evaluate and rate proposals using proposal scoring criteria. Organizations that have submitted proposals receiving a proposal score of 70 or above will be considered qualified to provide the services required by DSAMH. Qualified organizations/proposals will be submitted to the DSAMH Executive Committee and Division Director for final selection. The Division will interview at least one of the qualified firms. The Division may negotiate with one firm without terminating negotiations with another firm and may negotiate with one or more firms during the same period. At any point in the negotiation process, the Division may, at its discretion, terminate negotiations with any or all firms.

## XI. PROPOSAL EVALUATION/ RATING

Detailed evaluation/rating criteria will be developed for the review process for this Request for Proposal. Proposals will be rated according to the following general weighted criteria. Questions listed within the criteria are illustrative only. Points will be awarded in each category as indicated. Proposals receiving a score of 70 or above will be considered to meet the minimum qualifications and eligible for final selection as detailed above. Proposals receiving a score less than 70 will not be considered.

1. **Applicant's Experience and Expertise 0-10 points**
   - Does the applicant meet the eligibility criteria?
   - Has the applicant demonstrated successful experience operating programs serving individuals with mental health conditions?
   - Has the applicant documented successful experience in providing services to an elderly population?

2. **Understanding of the Elder Mental Health Outreach, Engagement and Educational Program 0-10 points**
   - How clearly does the applicant demonstrate an understanding of the concept of this program?
   - How clearly does the applicant define the basic philosophy and theoretical models proposed?
   - Does the applicant cite references for the evidence/research based approaches and models proposed?
   - Are these references from sources with recognized experience and creditability?

3. **Proposed Program Design 0-40 points**
   - Is the model depicted with clarity?
   - Will all of the Core Services be provided directly by the applicant?
   - Does the program design include a methodology to establish individual and organizational outcomes?
   - Does the applicant use evidence based and best practices to address the areas of employment, housing, psychological services, rehabilitative services and medication treatment algorithms?
   - Does the applicant reference the use of LOCUS to determine a consumer's level of care?
   - Are all program components and services culturally competent and specific?
   - Does the program contain a proposed staffing pattern adequate to perform all of the core elements?
   - Does the proposal include a process for ongoing monitoring of fidelity of the evidence based practice?

**4. Start-up, Implementation, Transition Plan 0-30**

- Does the proposal present a realistic start-up plan?
- Does the proposal contain a chart with realistic timeframes for start-up, transition of clients, other implementation activities?
- Does the proposal contain a detailed transition plan that includes the ability to absorb a significant number of existing clients within a very short time frame?
- Does the plan address issues of assessment, level of care assignment, continuity of care, crisis management?

**5. Program Operating Budget 0-10**

- Does the budget follow the required formats?
- Is the budget realistic? Does it cover reasonably expected expenses?
- Does the required budget narrative explain expense projections?
- Are management salaries within a reasonable range?
- Are salaries of counselors and other clinical staff within a reasonable range to attract and retain qualified clinicians?
- Does the applicant have a track record of submitting bills and backup data accurately and on time to DSAMH?
- Is the facility adequate to house this program?

## XII. INVESTIGATION OF PROPOSER'S QUALIFICATIONS

The State of Delaware may make such investigation as it deems necessary to determine the ability of the proposer to furnish the required services, and the proposer shall furnish to the State such data as the State may request for this purpose. The State reserves the right to evaluate the financial and program capability of the proposer to the State's satisfaction. The State reserves the right to reject any offer if the evidence submitted by, or investigation of, such proposer fails to satisfy the State that the proposer is properly qualified to deliver the services requested.

## XIII. PROGRAM STANDARDS/CONTRACT MONITORING

Responses to this Request for Proposals will be reviewed primarily for programmatic merit. A satisfactory review does not and will not constitute an approval of the program as having met program standards as required by the Division.

The contractor will be monitored on-site on a regular basis. This monitoring will be based upon the contract and the contractor's proposal. Failure of the contractor to resolve any problem(s) identified in the monitoring may be cause for termination of the contract.

## XIV. GENERAL CONDITIONS

1. The proposer must satisfy RFP requirements in the manner described in its proposal as approved by DSAMH. The proposer is required to carry out this project in the manner described in the approved proposal and in accordance with any conditions of the contract. A copy of the Department of Health and Social Services boiler plate contract is included as Attachment 3 to this document. The contract may be suspended or terminated, and future eligibility for services contracts may be lost, should the proposer fail to carry out this project as described in the approved proposal and in the resulting contract.

2. Proposers must meet the minimum requirements set forth in this RFP. They may choose to offer enhancements which go beyond these requirements. Such enhancements may be considered in the overall evaluation of the proposal, but DSAMH/DHSS may reject enhancements/exceptions which do not conform to state bid law and/or create inequality in the treatment of proposers.

3. The proposer may subcontract for services but must have prior approval from DSAMH on all subcontracts. Any contract with the prime contractor will bind sub- or co-contractors to the prime contractor by the terms, specifications, and standards of this RFP and any subsequent proposals and contracts. All such terms, specifications, and standards shall preserve and protect the rights of the Division under the RFP, and any with respect to

the services to be performed by the sub- or co-contractor, so that the sub- or co-contractor will not prejudice such rights. Nothing in this RFP shall create any contractual relation between any sub- or co-contractor and the Division.

4. The proposer must protect the confidentiality of client information. The proposer must have and follow procedures for protecting client information. If applicable, procedures for protecting client information must meet the standards prescribed by the Confidentiality of Alcoholism and Drug Abuse Patient Records, 42 U.S.C. 290 dd-3 and U.S.C. 290 ee-3.

5. The proposer must maintain such records and record systems as are necessary to document and monitor services per DSAMH requirements. The proposer's records must document services provided directly to clients as well as services provided on behalf of clients. Services to clients must be documented in a manner that facilitates the verification of service provision adequate to withstand an audit of claims submitted to the Division.

6. The proposer shall assume the responsibility for providing adequate liability insurance for all service provider personnel (including volunteers or other non-paid personnel), Board of Directors, and/or advisory bodies.

7. The proposer must:

- make reasonable effort to take into account the clientele and the community composition in its personnel hiring and promotion practices;

- make a demonstrative effort, as appropriate, to promote the hiring of minorities and women, and

- encourage minority and client participation on Advisory Councils and the Board of Directors.

8. Where a substantial number of the individuals in the population served by the program are of limited English-speaking ability, the proposer must:

- identify an individual who is fluent both in that language and English and whose responsibilities shall include providing guidance to the individuals of limited English-speaking ability and to appropriate staff members with respect to cultural differences.

9. Accurate property records, inventory control and maintenance for equipment and for all other non-expendable personal property acquired under this program must be maintained. Property records must provide a description of the property, identification number, date of acquisition, cost, present location and/or disposition of property. A physical inventory of non-expendable personal property must be taken and the results reconciled with the property records at least once every two years to verify the existence, current utilization and continued need for the property. A control system must be in effect to ensure adequate safeguards to prevent property loss. Damage or theft must be investigated and fully documented.

10. Obligation of Contract Funds - Funds authorized for use under the contract may only be obligated within the budget period for which they are awarded. Obligating documents such as a contract and purchase order must be issued on or before the expiration date of the budget period or the funds will no longer be available for use by the contractor. Any contract(s) developed will be for a one-year period. However, the contract(s) will be eligible for annual contract renewals for at least two additional years pending agreement by both parties, satisfactory contractor performance, and funding availability. The Division reserves the right not to renew any contract and, according to the terms of the contract, to terminate any contract.

11. Contract monitoring/corporate audits - A fiscal and programmatic monitoring of the contract may be conducted by the State Agency, usually once a year. Fiscal monitoring shall be conducted in accordance with generally accepted auditing standards. Any Division-initiated contract monitoring, shall neither obviate the need for, nor restrict the contractor from, conducting required annual corporate audits. Annual corporate audits must be conducted in accordance with generally accepted accounting principles and, if applicable, comply with the requirements of the Federal Office of Management and Budget (OMB) Circular A-133.

12. Data - The contractor must furnish contract-related data in accordance with the requirements of DSAMH's management information system (MIS).

13. Notwithstanding anything to the contrary, the Division and Department reserve the right to:

- Select for contract or for negotiations a proposal other than that with the lowest cost;
- Reject any and all proposals received in response to this RFP;
- Waive or modify any information, irregularity, or inconsistency in proposals received;
- Request modification to proposals from any or all proposers during the review and negotiation period;
- Negotiate as to any aspect of the proposal with any proposer and negotiate with more than one proposer at the same time;
- If negotiations fail to result in an agreement within two (2) weeks, terminate negotiations and select the next most responsive proposer, prepare and release a new RFP, or take such other action as the Division and Department may deem appropriate.
- Require proposers to secure a Delaware Business License.
- To contract with more then one provider.

## XV. GENERAL INSTRUCTIONS FOR SUBMISSION OF PROPOSALS

1. Number of Copies Required - Two (2) signed originals and ten (10) copies of the proposal, and 2 electronic copies (cds) and the certification sheets shall be sent to:

   Ms. Sandra Skelley, CPPO
   Department of Health and Social Services
   Division of Management Services, Procurement Branch
   Herman M. Holloway Sr. Health and Social Services Campus
   1901 North DuPont Highway
   Administration Bldg., 2nd Floor, Rm. 259
   New Castle, DE 19720

   THE ORIGINAL (S) (REQUIRED SIGNATURE PAGES IN INK) MUST BE CLEARLY IDENTIFIED BY THE WORDS "ORIGINAL COPY" ON THE OUTSIDE COVER.

   The proposals must clearly indicate that they are in response to RFP number **PSC – 0763.**

2. Closing Date - All responses to this RFP must be received on or before 11:00 A.M. (local time), on June 22, 2007. Delivery is the sole responsibility of the proposer. Proposals are to be delivered or sent to the agency contact at the address specified above. Proposals submitted by mail shall be sent by either certified or registered mail. No late proposals will be accepted. No individual exception to this deadline will be granted. Any proposal received after the specified date and time shall not be considered and shall be returned unopened. The proposing firm bears the risk of delays in delivery. The Division reserves the right to extend the time and place for the opening of bids/proposals from that described above, of not less than five calendar days. Notice by certified mail to those Proposers who obtained copies of the RFP document.

3. Notification of Award - Notification of the award will be made in writing to all proposers by approximately July 6, 2007.

4. Questions – All questions concerning this request for proposals must be directed to Ms. Darlene Plummer, at (302)-255-9430. From the issue date of this RFP until a determination is made regarding the selection of a proposal, all contacts with personnel of the Division of Substance Abuse and Mental Health and other agencies in the Department of Health and Social Services must be cleared through the agency contact.

5. Proposals Become State Property - All proposals become the property of the State of Delaware, and will not be returned to the proposer. All proposers should be aware that government solicitations and the responses thereto are in the public domain. Parts of the proposal, which the proposer considers to be proprietary, should be clearly marked as such. Such requests will be evaluated under the provisions of 29 Del. C. Chapter 100, but shall not be binding on the Department to prevent disclosure of such information. Final discretion on releasing materials rests with DHSS.

6. Proposal and Final Contract - The contents of each proposal will be considered binding on the proposer and subject to subsequent contract confirmation if selected. The content of the successful proposal and the RFP will be incorporated into any resulting final contract. All prices, terms, and conditions contained in the proposal shall remain fixed and valid for ninety (90) days after the proposal due date.

   If the proposer is unwilling to comply with any of the requirements, terms, or conditions of the RFP, objections must be clearly stated in the proposal. Objections will be considered and may be subject to negotiation at the discretion of the State.

7. Amendments to Proposals - Amendments to proposals will not be accepted after the receipt deadline for proposals is passed, unless requested by the Division in writing. The State reserves the right at any time to request clarifications and/or further technical information from any or all proposers submitting proposals.

8. Pre-Contract Costs - All pre-contract activities or costs incurred by proposers in the preparation of their proposals, or during any negotiations on proposals or proposed contracts, or for any work performed in connection therewith, shall be borne by the proposer.

9. Contractor's Equipment - The State of Delaware will not be responsible for the contractor's equipment due to loss, theft, or destruction.

10. Funding Disclaimer Clause - The Department reserves the right to reject or accept any bid or portions thereof, as may be necessary to meet the Department's funding limitations and processing constraints. The Department reserves the right to terminate any contractual agreement without prior notice in the event that the state determines that state or federal funds are no longer available to continue the contract.

11. Contract Termination Clause - The Department may terminate the contract resulting from this request at any time that the contractor fails to carry out the provisions or to make substantial progress under the terms specified in this request and the resulting proposal.

    The Department shall provide the contractor with thirty (30) days notice of conditions endangering performance. If after such notice the contractor fails to remedy the conditions contained in the notice, the Department shall issue the contractor an order to stop work immediately and to deliver all work and all work in progress to the state. The Department shall be obligated only for those services rendered and accepted prior to the date of notice of termination.

Upon receipt of no less than thirty (30) days written notice, OR in accordance with contract provisions, the contract may be terminated on a date prior to the end of the contract period without penalty to either party.

12. Fees – It is a State policy that clients should pay all or part of the costs of Services received if they are financially able to do so. The contractor would be expected to continue this policy.

13. Debriefing - If a proposing firm wishes to request a debriefing for technical assistance purposes, the proposing firm shall submit a formal letter to the Contracts Manager, Division of Substance Abuse and Mental Health, First Floor, Main Administration Building,, 1901 N. DuPont Highway, Herman M. Holloway Sr. Health and Social Services Campus, New Castle, DE 19720, within 10 days after receipt of a letter informing the proposing firm of the outcome of the review and evaluation process. This letter shall specify reason(s) for the request.

## XVI. PROPOSAL ORGANIZATION

The Proposal submitted in response to this request must conform to the format described in these instructions. The application should contain a cover letter that includes names and titles of key personnel to contact for additional application information. The cover letter will be considered an integral part of the proposal.

The cover letter must be followed by the completed Checklist (Form A). All pages must be numbered consecutively.

Each proposer is required to submit the Technical Proposal and Business Proposal as separate sections. The Business Proposal should address the cost of performing the work described in the Technical Proposal. The proposer shall not make any reference to costs in the Technical Proposal. In preparing a response, the proposer should follow the format as outlined in the checklist (Form A) and include the checklist with the proposal, as specified. Failure to follow the format could result in disqualification of the proposal.

The proposer may be requested to submit a complete independent audit and analysis of financial condition, covering the most recent fiscal year, during the review process, and, if selected, will be required to submit this material.

## XVII. REQUIRED SIGNATURE FORMS

A. Bidders Signature Form (Form H)
B. Contractor Representation, Certification and Acknowledgement Form (Form C)
C. Statement of Compliance Form (Form G)
D. Non-Collusion Statement (Form H)

## XVIII. TECHNICAL PROPOSAL REQUIREMENTS

a. **Elder Mental Health Outreach, Engagement and Educational Services Program**

1. **Program Abstract** – Describe the program based on Evidence Based Practices. Describe the corporate or program readiness to implement the proposed evidence based practices including the resources, infrastructure and experienced staff that are in place or will be put in place to support implementation. Describe the process to monitor and ensure fidelity to the evidence based practice.

2. **Geographic Area(s)** – The applicant must identify the facility being proposed.

3. **Scope of Services:** This section must describe in detail how the program will meet all requirements, including:

   - Specific evidence/research based documentation to support the program design and treatment approach(es) to be used.
   - Description of how the program will provide all the Core Elements.

**Core Program Elements:**

11) Develop and implement an **educational program** targeting professionals and other caregivers who serve the elderly and individuals who meet the eligibility criteria for this program. This educational component is to be developed in conjunction with a consulting psychiatrist board certified in geriatric psychiatry. The educational program must:

    a. Provide information to staff at senior centers, State service staff serving the elderly (e.g. DSAAPD, DPH, DSS, etc.), the State's four Federally Qualified Health Center, faith community providers and other non-physician providers serving the elderly throughout the State on the signs and symptoms of mental illness and substance use disorders among the elderly, referral information, service availability, etc.
    b. Provide information to Elder Delawareans regarding the signs, symptoms and treatment of mental illness and substance use disorders – this information should be targeted at both individuals who may have a mental illness and their caregivers. Community outreach presentations to older adults and aging service providers are offered to increase understanding of mental illness in older persons and reduce the stigma attached to mental illness. This aspect of the program may "partner" with other health related educational program targeting seniors in Delaware.

c. Provide information collaboratively to General Practitioners throughout the State regarding state of the art treatment of mental illness in an aging population, including issues relating to prescription drug abuse, drug-drug interaction specifically with reference to psychotropic medications and other somatic medications, potential side effects of psychotropic medications and strategies to minimize or ameliorate these, etc.
d. Provide physician-to-physician (psychiatrist to non-psychiatrist physician) consultation in cases where a physician is not adequately treating an individual's mental illness, treating them in such a way that other physical health problems emerge or are exacerbated, or have requested consultative advice on treatment strategies.
e. Incorporate information in all aspects of the educational component of this program on the DSM-IV-TR criteria for "Delirium, Dementia, and Amnestic and Other Cognitive Disorders." The goal is to promote an understanding of these disorders, how they differ from mental illness and the need for caregivers and support programs to refer individuals to providers who specialize in these disorders.

12) Provide an aggressive outreach and engagement program that **engages** individuals who may meet criteria as well as their caregivers, **screen** for mental illness and possible co-morbid substance use disorders, and **assist the individuals and their caregivers in accessing appropriate care**.

a. The aforementioned "assistance" may include assistance with transportation, making appointments with providers, assistance in both understanding entitlements and accessing entitlements, working with caregivers in understanding applicable information about mental illness, medical interventions, substance use disorders, etc.
b. Use a **case management** model to manage services for individuals deemed eligible for services, successfully engage both with the individual directly and with all appropriate providers and the various support programs serving individuals who have a mental illness, a substance use disorder and programs that coordinate care for the elderly (e.g. DSAAPD). Case management is to be a short-term support that has the goal to successfully engage the individual with appropriate community supports.

13) All program educational activities will be developed with the goal of minimizing the stigma associated with mental illness and the treatment of mental illness and co morbid substance use disorders.

14) The program should strive to make use of peer specialists (i.e. individuals who are 60 years + in age and have either a mental illness or significant experience providing supports to individuals who are elderly and have a mental illness) whenever possible throughout all contract funded activities.
15) The program is to develop and distribute culturally sensitive information about accessing community-based mental health services for older persons.

16) The program is to be implemented **statewide and is to be highly mobile**, meeting the needs, as defined in this RFP, for individuals throughout the State.

17) The program will identify practitioners throughout the State who provide psychiatric and psychological services to the elderly, highlighting and working with those providers that serve individuals with co-occurring conditions (mental health, substance abuse and somatic

illness). The program should also identify providers based on the type of payments they accept (e.g. Medicaid, Medicare, sliding fee or reduced payment, etc.).

18) The program will develop a set of outcome/performance measures by which to gauge its relative success and areas of improvement.

19) The program must provide a structured opportunity for interdisciplinary educational experiences (externships, research partnership, volunteer supports) with the goal to expose students to the broader community based social service field (medicine, nursing, social work, psychology, etc.)

20) DSAMH will develop a Steering committee consisting of representatives of DSAMH, DSAAPD, the Delaware Suicide Prevention Coalition, other pertinent service providers and interested members of the public. The role of this committee is to routinely meet with the provider to monitor implementation and program activities, to monitor program outcomes and to provide both technical assistance and direction to the provider in meeting the needs of individuals in this program.

**4. Staffing and Staff Qualifications** – Organization charts must be included that depict: (a) where the Co-Occurring Disorders Residential Treatment Program will fit into the overall organization structure; (b) all components and staff of the Co-Occurring Disorders Residential Treatment Program. The proposal must address how the proposed staff will meet licensing standards.

The proposer must present a complete staffing pattern with job descriptions for key managerial and supervisory clinical positions. The staffing pattern must indicate if the position is full or part-time. If part time, it must indicate the number of hours per week. The staffing pattern must be predicated upon serving the number of clients specified by the applicant of this RFP. The job descriptions must include the minimal educational, experiential and credentialing requirements for each position, along with a description of the duties of the position. .

In developing the staffing pattern, applicants should refer to the DSAMH Licensing Standards, and the Core Elements Section of this RFP to assure that job descriptions meet required qualifications. Clinical supervisors will be required to enroll in the Clinical Supervision Project sponsored by the DSAMH Training Office.

The proposer must provide:

a. Job Descriptions

There must be a complete job description for all positions that have been included in all or part of the cost of this proposal. Each description should contain:

1) Position title: This should be the same title as used in the budget, and as shown in the sections on program description, and organization charts.
2) Salary range: Please state the yearly and/or hourly range.
3) Job summary: This should describe the role of the position in the proposed program and identify the lines of authority related to this position.
4) Duties and responsibilities: List the major activities of the person in this position.
5) Job qualifications: The minimum education and/or experience requirements should be presented.

b. Resumes of Key Staff

Resumes of key staff for the proposed program, if known to the proposer at the time of response to the RFP, must be included.

c. Screening and Hiring Procedures

The proposer must provide guidelines to be used in staff screening and hiring procedures. Measures adequate to screen job applicants to determine history of patient/client abuse/neglect (must comply with 29 Del. C. Section 708 and 11 Del. C. Section 8564) must be described.

d. Staff Training/Orientation and Development

A staff training and/or orientation plan applicable to all staff who will be assigned to the program must be presented. The plan/schedule should include:

1) introductory training and orientation schedule;
2) mandatory training on Department of Health and Social Services Policy Memorandum 46;
3) mandatory training on confidentiality of client information

e. Staff Schedule

The proposer must provide:

1) A complete program staffing roster that clearly presents the full staffing complement for the proposed program. Each position must be listed by position title and the full time equivalent status of that position (e.g.: 1.0 FTE, 0.5.FTE, etc.).

.

2) A full one-month staff schedule that clearly presents the proposed staffing patterns for the program.

The proposer should assure that the program staffing roster and the full staff schedule are reconciled with respect to the number of FTE

positions required AND that all positions are accounted for in the business proposal.

The proposer must specify the minimum staff to resident ratio which will be provided (specify times during which minimum staffing will prevail).

g. On-call/Back-up Staffing

The proposer must describe its provisions for on-call or back-up staffing (including minimum qualifications of on-call or back-up staff if different from minimum qualifications of regular program staff).

Subcontractor List
If subcontractors will be used, the following must be provided: 1) identification of the sub-contractor; 2) purpose; 3) tasks to be performed; 4) FTE comparison; and 5) method of compensation.

h. Shared Staff

If the proposed program will utilize staff that will be shared with, or co-assigned to, other programs, the proposer must describe this arrangement and address the effect such staff-sharing or co-assignment will have on the operation of the proposed program.

i. Volunteer Staffing

If volunteer staff are to be used to provide staff coverage for the proposed program, the proposer must clearly describe the role of volunteers and clearly indicate volunteer positions in the staffing chart required in RFP Section XVIII; A. Volunteer staff are subject to the same requirements for qualifications, training, and screening/hiring procedures as paid staff.

**5. Accreditation** – The applicant must present a timetable for obtaining accreditation from an approved accrediting agency or proof that the program is already accredited. If the organization/agency is already accredited, the applicant should present verifying documentation in the response to the RFP.

**6. Implementation Plan –**Applicants must submit an Implementation Plan in chart format with timelines for each activity. The plan must cover start up through full program implementation activities. It must describe how this process will be altered/enhanced if the applicant is selected and required to absorb a significant number of clients within a very short period of time. The length of time that the applicant proposes for program start up and to reach full capacity will be important factors in the application rating process.

**7. Transition Plan** – Describe the transition process by which consumers, current and future, are incorporated into the proposed program model. This plan should address issues of assessment, levels of care assignment, continuity of care (including medication maintenance), crisis management, etc. This plan should describe the transition of individuals who are currently served within the program as well as clients new to the Division's long-term benefit and referred from DSAMH's EEU.

**8. Organization Capability and Experience –** Applicants for this RFP must provide documentation that they meet the following conditions:

a) Documented, successful experience operating an array of community based mental health services. Provide evidence that both the applicant organization and the lead management staff for the proposed program have expertise in the design, implementation and operation of a continuum of community based mental health services.

**[The fact sheet (Form B) must be completed and submitted with the program proposal.]**

**9.. Statements of Assurance**

Proposers must provide written assurance that the following conditions will be met.

A) Availability of IRS Ruling relating to tax exempt status for nonprofit incorporated organizations (as applicable).

B) Availability of Liability Insurance.

C) Availability of Auto Insurance. This is required for all vendors who operate any type of transportation vehicle as part of their program.

D) Civil Rights. Compliance with provisions of Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act, and any other federal or State anti-discriminatory act, law, statute, or regulation.

E) Policy and Procedures Manual. A statement should be included that the proposer shall develop a written manual covering policies and procedures of the program. A copy of the manual shall be submitted for approval within 45 days from the date of contract award. If the proposer has a current policy and procedures manual which will be used, a statement regarding its availability upon request by the review committee should be submitted with the proposal.

F) Compliance Agreement for Procedure to be Followed to Comply with Policy Memorandum

46. The proposer must include a statement of compliance with the Policy Memorandum (see Attachment 1).

G) Statement of Confidentiality. The proposer should either include the statement of client confidentiality in effect for the applicant organization or prepare and include such a statement to be used for the proposed program.

H) Statement and/or Documentation of Professional Ethical Standards Applied in Organization. The proposer should include the statement of professional standards currently in use by the applicant organization or prepare and include such a statement to be used for the proposed program.

**10. References**

Each proposer must supply the names of a minimum of three (3) references familiar with the background and qualifications of the proposers and its ability to implement the proposed program. Addresses and phone numbers of the references must be included, as well as a description of the capacity in which the reference knows the proposer.

**Notification to Bidders**

"Bidder shall list all contracts awarded to it or its predecessor firm(s) by the State of Delaware during the last three years, by State Department, Division, Contact Person (with address/phone number), period of performance and amount. The Evaluation/Selection Review Committee will consider these as additional references and will contact each of these sources. Information regarding bidder performance gathered from these sources may be included in the Committee's deliberations and factored into the final scoring of the bid. Failure to list any contract as required by this paragraph will be grounds for immediate rejection of the bid."

## 11. Program Facility

Proposers must provide proof that they already own or have a commitment to purchase or lease of a facility suitable for the proposed program. DSAMH is willing to negotiate the date by which the facility must be ready for occupancy. However, unless there are extraordinary circumstances, the usual expectation is that the site/facility will be ready for occupancy no later than 90-days from inception of contract.

The proposer must identify and describe the facility in which the proposed program will be provided.

At a minimum, the proposer must provide:

a. The address of the proposed facility.

b. A description of the facility, including a floor plan that indicates the location within the facility proposed for use for the proposed program (if co-located with another program).

c. A description of any facility renovations or improvements that will be needed to make the facility suitable for use. First year contract funds may be used for minor renovations and repairs to the facility, and for purchase of necessary equipment/furnishings.

d. Assurances that the proposed facility is suitable for use in the provision of the proposed program and that it will meet all applicable zoning, licensing, life-safety, environmental or other requirements. (NOTE – The facility must meet all such requirements, and the contractor must obtain all required approvals prior to program opening and acceptance of any residents.)

e. Agreement to work in conjunction with DSAMH to notify elected officials, civic and neighborhood associations to assure acceptance and support of the community.

**f.** If the proposed facility will house other programs or services concurrently with the proposed program (or is anticipated to house such other programs or services), the proposer must describe those programs/services and identify any proposed relationship between such programs/services and the proposed program. Co-located programs/services must be compatible with the needs of the proposed program and present no threat to the health or safety of the residents of the proposed program**.**

## XIX. Business Proposal Requirements

The Business Proposals and all budget information must be presented separate from the Technical Proposal.

Each program component requires a separate business proposal with a detailed budget narrative that includes all assumptions made with respect to the pricing of services.

### a. Operating Budget

The Division anticipates purchasing Elder Mental Health Outreach, Engagement and Educational Services program on a cost-reimbursement basis. For the purposes of proposal review, a full year's proposed operating budget is required in this response. If start-up funds are being requested, a separate budget proposal must be submitted indicating specific items that these funds will be utilized for. A detailed budget narrative must also accompany any start up funds request. Using Budget Proposal Form D (or a facsimile thereof) and following the Program Proposal Budget Guidelines presented in Attachment#2, the proposer must present a business proposal in a line-item format. A detailed budget narrative that includes all assumptions made with respect to the pricing of services must also be included.

The operating budget should apply to the budget period beginning July 1, 2007 and ending June 30, 2008.

### Financial Practices Self-Report

The bidder must complete Form F, Financial Practices Self-Report.

**FORM A**

**REVISE AS NECESSARY** Checklist

**This checklist is provided to aid both the proposer and the reviewer in determining that all necessary information is included in the proposal package. In the blanks next to each item, please denote the page number(s) in the proposal where that information can be found. The completed checklist should be submitted as the first item in the proposal.**

| Item | Page |
|---|---|
| **REQUIRED SIGNATURE FORMS:** | |
| Bidder's Signature Form (Form G) | |
| Contractor Certification Sheet (Form C) | |
| Statement of Compliance (Form E)<br>Non-Collusion Statement (Form H) | |
| **TECHNICAL PROPOSAL** | |
| | |
| 1. Program Abstract | |
| 2. Geographic Area(s) | |
| 3. Scope of Services | |
| • Specific evidence/research based documentation | |
| • Core Program Elements | |
| 4. Staffing and Staff Qualifications | |
| • Personnel Policies | |
| • Job Descriptions | |
| • Resumes of Key Staff | |
| • Screening and Hiring Procedures | |
| • Staff Training<br>• Staff Schedule | |
| • On-Call/Back-up Staffing<br>• Shared Staff | |
| • Volunteer Staffing | |
| 5. Accreditation | |
| 6. Implementation Plan | |
| 7. Transition Plan | |
| 8. Organization Capability and Experience | |
| 9. Statements of Assurance | |
| 10. References | |
| • 3 references | |
| • Listing of all State of DE contracts during last 3 years | |
| 11. Program Facility | |
| | |

| | |
|---|---|
| **BUSINESS PROPOSALS** | |
| A. Operating Budget for July 1, 2007- June 30, 2008 | |
| Detailed Budget Narrative | |
| B. Start-up Funds Request (if any) | |
| Detailed Budget Narrative | |
| | |
| | |
| C. Form F – Financial Practices Self-Report | |
| | |
| | |

**FORM B**

## Fact Sheet

1. Corporate Name

2. Mailing Address

   _____ Zip Code

3. Business Address if different from mailing address

4. Telephone __(____)
   (Area Code)

5. Director's Name _____ Telephone _(___)

6. Name of contact person if other than Director

7. List of names of those with authority to sign contracts
   (name/title/phone)

8. Date of Incorporation

9. If the agency operates from more than one location, please provide the address and phone numbers of the other locations:

10. Delaware Business License No.

11. Federal Employer Identification No.

12. Copy of Corporate Organization Structure (attach)

13. Roster of Corporate Officers (attach)

## CONTRACTOR REPRESENTATION, CERTIFICATION AND ACKNOWLEDGMENT

As the official representative for the proposer, I certify on behalf of the proposer that:

A. They are a regular dealer in the services offered.

B. They have the ability to fulfill all the requirements specified for the development and operation of the program within this offer and that their proposal includes all costs necessary for and incidental to their total performance under the contract.

C. They are accurately representing their type of business and affiliations.

D. They will secure a Delaware Business License.

*E. 1. The prices in this offer have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other contractor or with any competitor;*

2. Unless otherwise required by law, the prices which have been quoted in this offer have not been knowingly disclosed by the contractor and will not knowingly be disclosed by the contractor prior to award in the case of a negotiated procurement, directly or indirectly to any other contractor or to any competitor; and

*3. No attempt has been made or will be made by the contractor in induce any other persons or firm to submit or not to submit an offer for the purpose of restricting competition.*

F. They have not employed or retained any company or person (other than a full-time bona fide employee working solely for the contractor) to solicit or secure this contract, and they have not paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the contractor) any fee, commission percentage or brokerage fee contingent upon or resulting from the award of this contract.

G. They operate as (check one): ___ an individual; ___ a partnership, ___ a non-profit (501 C-3) organization; __ a not-for-profit organization, or ___ for-profit corporation, incorporated under the laws of the State of _____.

D. They (check one): ___ are; ___ are not owned or controlled by a parent company. If owned or controlled by a parent company, enter name and address of parent company:

The following conditions are understood and agreed to:

1. No charges, other than those shown in the Business Proposal, are to be levied upon the State as a result of a contract.

2. The State will have exclusive ownership of all products of this contract unless mutually agreed to in writing at the time a binding contract is executed.

Name of Contractor's Authorized Administrato Signature of Authorized Administrator

Name of Company Date

Company Address _____

_____

_____

Company Telephone Number __(____)_____

**PSC - 0763**

**BUDGET PROPOSAL**

Provider Name: 1
Contact Person: 2 Telephone: 3
Program Name: 4 Budget Period: 5

Direct Personnel Staff Roster

| Employee Name/Title | | TOTAL FTE | 23 Annual Costs |
|---|---|---|---|
| 6 | 7 | 8 | |
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**PSC - 0763**

**BUDGET PROPOSAL**

Provider Name: 1
Contact Person: 2 Telephone: 3
Program Name: 4 Budget Period: 5

Direct Personnel Staff Roster

| Employee Name/Title | FTE ACT ONLY | TOTAL FTE | 23 Annual Costs |
|---|---|---|---|
| 6 | 7 | 8 | |
| | | | |
| | | | |
| | | | |
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| | | | |
| | | | |
| Subtotal | | | |
| | | | |
| Total Direct Staff | | | |

| | Annual Cost |
|---|---|
| Fringe Benefits/OEC | |
| Payroll Tax | |
| Health Benefits | |
| Other Fringe Benefits | |
| Total Fringe/OEC | |
| TOTAL DIRECT STAFF & FRINGE BENEFIT COSTS | |
| | |
| Staff Travel & Training | |
| Staff Training | |
| Staff Mileage | |
| Staff Public Trans. | |
| Staff Meals/Clothing | |
| TOTAL STAFF TRAVEL & TRAINING | |
| | |
| Occupancy Costs | |
| Real Estate Tax | |
| License, Permits, Fees | |
| Utilities | |
| Repairs/Maintenance | |
| Rent | |
| Custodial Supplies | |
| Insurance | |
| Other Occupancy Costs | |
| TOTAL OCCUPANCY COSTS | |
| | |
| Transportation Costs | |
| Gas & Oil | |
| Vehicle Repair/Maintenance | |
| Vehicle Insurance & Taxes | |
| Vehicle Lease | |
| Contractual Transportation | |
| Public Transportation | |
| Other Transportation Costs | |
| TOTAL TRANSPORTATION COSTS | |
| | |
| Operating Costs | |
| Consultant Costs | |
| Telephone | |
| Postage | |
| Advertising/Recruiting | |
| Printing/Reproduction | |
| Office Supplies | |
| Equipment Rental | |
| Equipment Repair/Maintenance | |

| | |
|---|---|
| Educational Supplies | |
| Other Operating Costs | |
| Capital Expenses (attach detail listing) | |
| TOTAL OPERATING COSTS | |
| | |
| TOTAL DIRECT PROGRAM COSTS | |
| INDIRECT/AMINISTRATIVE COSTS<br>TOTAL COST | |

F0RM G

**STATEMENT OF COMPLIANCE FORM**

**As the official representative for the contractor, I certify on behalf of the agency that:**

_____(Company Name) will comply with all Federal and Delaware laws and regulations pertaining to equal employment opportunity and affirmative action. In addition, compliance will be assured in regard to Federal and Delaware Laws and regulations relating to confidentiality and individual and family privacy in the collection and reporting of data.

Authorized Signature _____

Title _____

Date: _____

**FORM F**

**CONTRACT AGENCY:** _____

**DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH**

**FINANCIAL PRACTICES**
**PRE-AUDIT MONITORING SURVEY**
**SELF-REPORT**

1. Do you maintain a **summary of total program funding and a breakdown of approximate funding by source**?

   Yes _____ No _____

   Comments: _____

2. Is your type of accounting system cash [ ] or accrual [ ]?

   Comments: _____

3. Does your **Chart of Accounts** include a description of the accounts, numeric and word components and the topical organization of the accounting system?

   Yes ___ No _____

   Comments: _____

4. Do you maintain the following **accounting records**?
(Check those maintained)

| | | | |
|---|---|---|---|
| General Ledger | ____ | Journals | ____ |
| Subsidiary Ledgers | ____ | Checkbooks | ____ |
| Payroll Records | ____ | Bank Statements | ____ |
| Paid & Unpaid Invoices | ____ | Funds Receivable | ____ |
| Accounts Payable | ____ | Time Sheets | ____ |
| Supportive Documentation | ____ | Petty Cash | ____ |
| Payroll Registers | ____ | Proof of Payroll | ____ |
| Cancelled Checks | ____ | Tax Payments | ____ |

Comments: _____

_____

_____

_____

5. What type of **financial statements**, frequency, and distribution of financial statements are maintained by the program? Who reviews and approves financial statements? (List)

| **Type** | **Frequency** | **Distributed by** | Reviewed/ Approved By |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

(Use additional pages as necessary)

6. Does the program have a person or persons responsible for the preparation and review of the program budget?

Yes _____ No _____ Name _____

Comments: _____

_____

_____

_____

a. What are the procedures for preparing the **overall program budget**? (Summarize)

_____
_____
_____
_____
_____
_____
_____

b. What are the procedures for estimating the projected income? (Summarize)

_____
_____
_____

c. What are the procedures for periodic budget review and adjustments? (Summarize)

_____
_____
_____

7. What are your procedures for: a) receipt of funds (receiving-recording-depositing), b) disbursement of funds (supporting document flow), c) authorizing signatures, and d) check writing procedures? (Summarize)

a. _____
_____
_____

b. _____
_____
_____

c. _____
_____
_____

d. _____
_____
_____
_____
_____
_____

8. What are your procedures for purchasing?

a) Solicitation and bids for service

b) Receipt and inspection of goods (Summarize)

9. What is your procedure for payroll processing?

a. Is the payroll manual [ ] or automated [ ]?

b. What is the payroll period; weekly, monthly, etc.?

Comments: _____

c. Does the **payroll record** include time sheets __, payroll register and employee individual earning records __?

Comments: _____

d. Payroll automation - does it include approval of time sheets __, signature on payroll checks __ and payroll taxes __?

Comments: _____

10. Petty cash procedures:

a. What are the allowable uses of the petty cash fund? (Summarize)

_____

_____

_____

_____

b. Are there standard forms and procedures for using the petty cash fund? (Summarize)

_____

_____

_____

_____

c. What is the maximum balance maintained in petty cash fund?

_____

_____

_____

_____

d. What are the limits on individual transactions?

_____

_____

e. What are the procedures for reconciling and replenishing the petty cash fund? (Summarize)

_____

_____

11. Billing for services:

a. What are the procedures for determining client/consumer fees? (Summarize)

_____

_____

_____

_____

b. Do you maintain a schedule of fees? (Comments)

_____
_____
_____
_____

c. How is the client informed about the fee schedule? (Summarize)

_____
_____
_____
_____

d. How is client ability to pay determined? (Summarize)

_____
_____
_____
_____

e. How is receipt of client fees documented? (Summarize)

_____
_____
_____
_____

f. What are the procedures for billing clients? (Summarize)

_____
_____
_____
_____

g. What are the procedures for billing third-party payers? (Summarize)

_____
_____
_____
_____

h. What are the procedures for handling delinquent accounts? (Summarize)

_____

_____

12. Internal Controls

What are the internal management mechanisms for safeguarding the assets of the organization and for preventing and detecting errors? Do the contractor controls include:

a. Written Fiscal/Financial Practice Policies and Procedures?

Yes ____ No ___

Are these Policies and Procedures regularly reviewed and revised as necessary?

Yes ____ No ____

b. Separation of functional responsibilities?

Yes ____ No ____

**Comments:**

_____

_____

_____

_____

2 c. Accurate and complete book of accounts?

**Comments:**

_____

_____

_____

_____

d. Financial reports?

Yes _____ No ____

**Comments:**

_____

_____

_____

e. Proper documentation?

Yes _____ No ____

**Comments:**

_____

_____

_____

f. Annual audit?

Yes _____ No ____

**Comments:**

_____

_____

_____

g. Bonding of employees handling money?

Yes _____ No _____

**Comments:**

_____

_____

_____

13. Corporation Data:

Do you maintain the **following documents** up to date?

| | | YES | NO |
|---|---|---|---|
| a. | Fidelity Bond | | |
| b. | Insurance Policies for property<br>Liability<br>Vehicle | | |
| c. | IRS Form 501C – Tax Exempt Status | | |
| d. | IRS Form 4161 – Social Security Waiver | | |
| e. | IRS Form 990 – Organization Exempt from Tax | | |
| f. | IRS Form 941 – Qtly. Rpt. of Federal Withholding | | |
| g. | Delaware Annual Franchise Tax Rpt | | |
| h. | Delaware Unemployment Compensation & Disability Insurance Report | | |
| i. | Delaware Forms (VCE - UC8A) W1-W3 Report of State Withholding | | |
| j. | Contracts for Purchased Services (i.e. Rent, etc.) | | |
| k. | Malpractice/Liability insurance to protect agency/staff against lawsuits brought by recipients of services | | |
| l. | Corporate Documentation (e.g.: Certificate(s) of Incorporation; By-laws; Policy & Procedures; etc.) | | |
| m. | Business license [State(s)] | | |

14. Property Management:

a. Do you maintain an inventory of furnishings, office equipment, and other capital property?

Yes ____ No ____

Does the inventory show? (check all that apply)

| | |
|---|---|
| Purchase or acquisition date | |
| Purchase Price | |
| Source of funds for purchase | |
| Identification number of item (serial number, model number, etc. | |
| Condition of item | |
| Location of item | |
| Date of loss, destruction or other disposition of item | |

b. Is the inventory kept up-to-date?

Yes _____ No _____
How often is the inventory updated? _____

Who is responsible for keeping the inventory?

_____

15. Indirect/Administrative Cost

a. Does your agency charge an indirect/administrative cost to any of the programs or projects conducted or operated by the agency?

Yes _____ No _____

b. How do you determine the indirect cost pool for the agency? (Briefly summarize)

_____

_____

_____

Does the agency have a written policy on the development/application of indirect/administrative charges?

Yes _____ No _____

16. Survey Completed by _____

Title/Position_____

Signature_____ Date _____

**FORM H**

*Delaware Health*

*And Social Services*

**DIVISION OF MANAGEMENT SERVICES**

**BIDDERS SIGNATURE FORM**

NAME OF BIDDER _____

SIGNATURE OF AUTHORIZED PERSON _____

TYPE IN NAME OF AUTHORIZED PERSON: _____

TITLE OF AUTHORIZED PERSON: _____

STREET NAME, AND NUMBER _____

CITY, STATE, AND ZIP CODE: _____

CONTACT PERSON: _____

TELEPHONE NUMBER: _____

FAX NUMBER: _____

DATE:_____

BIDDER'S FEDERAL EMPLOYERS IDENTIFICATION NO:_____

F.O.B.:_____

TERMS:_____

THE FOLLOWING MUST BE COMPLETED BY THE VENDOR:

AS CONSIDERATION FOR THE AWARD AND EXECUTION BY DELAWARE HEALTH AND SOCIAL SERVICES OF THIS CONTRACT, THE (COMPANY NAME)_____ HEREBY GRANTS, CONVEYS, SELLS, ASSIGNS, AND TRANSFERS TO THE STATE OF DELAWARE ALL OF ITS RIGHTS, TITLE, AND INTEREST IN AND TO ALL KNOWN OR UNKNOWN CAUSES OF ACTION IT STATES AND THE STATE OF DELAWARE RELATING THE PATROLLER GOODS OR SERVICES PURCHASES OR ACQUIRED BY THE DELAWARE HEALTH AND SOCIAL SERVICES PURSUANT TO THIS CONTRACT.

**NON-COLLUSION STATEMENT & CLASSIFICATIONS FORM**

**THIS PAGE MUST BE SIGNED, NOTARIZED AND RETURNED WITH YOUR BID PROPOSAL**

COMPANY NAME_____
NAME OF AUTHORIZED REPRESENTATIVE (Please print)_____
SIGNATURE_____
COMPANY
ADDRESS_____
TELEPHONE #_____
FAX #_____
EMAIL ADDRESS_____
FEDERAL EI# _____STATE OF DE BUSINESS LIC#_____

Note: Signature of the authorized representative MUST be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Delaware Health and Social Services.

This is to certify that the above referenced offer has neither directly nor indirectly entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this bid submitted this date to Delaware Health and Social Services.

The above referenced bidder agrees that the signed delivery of this bid represents the bidder's acceptance of the terms and conditions of this invitation to bid including all specifications and special provisions

---

Organization Classifications (Please circle)
Women Business Enterprise (WBE) Yes/No
Minority Business Enterprise (MBE) Yes/No
PLEASE CHECK ONE---CORPORATION _____ PARTNERSHIP_____INDIVIDUAL _____

For certification (WBE),(MBE),(DBE) please apply to Office of Minority & Women Business Enterprise Phone #' (302) 739-4206 (L. Jay Burks)
Fax# (302) 739-5661 Certification #_____ Certifying Agency_____

---

SWORN TO AND SUBSCRIBED BEFORE ME THIS _____DAY OF _____20_____

NOTARY PUBLIC_____MY COMMISION EXPIRES _____

CITY OF _____COUNTY OF _____STATE OF_____

Internet address: http://www.state.de.us/dhss/rfp/dhssrfp.htm
http://www.state.de.us/dhss/dhss.htm

## Definitions

**Women Owned Business Enterprise (WBE)**:
At least 51% is owned by a women, or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by women; or any business enterprise that is approved or certified as such for purposes of participation in contracts subject to women-owned business enterprise requirements involving federal programs and federal funds.

**Minority Business Enterprise (MBE):**
At least 51% is owned by minority group members; or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by minority group members; or any business enterprise that is approved or certified as such for purposes of participation in contracts subjects to minority business enterprises requirements involving federal programs and federal funds.

**Corporation:**
An artificial legal entity treated as an individual, having rights and liabilities distinct from those of the persons of its members, and vested with the capacity to transact business, within the limits of the powers granted by law to the entity.

**Partnership:**
An agreement under which two or more persons agree to carry on a business, sharing in the profit or losses, but each liable for losses to the extent of his or her personal assets.

**Individual:**
Self-explanatory

For Certification in one of above bidder must contract:
L. Jay Burks
Office of Minority & Women Business Enterprise
(302) 739-4206
Fax (302) 739-5661

**Verification of certification must be submitted with bid/proposal (s) for Delaware Health and Social Services, Procurement.**

**ATTACHMENT 3**

RFP PSC - 0763

## DELAWARE DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH

## PROGRAM PROPOSAL BUDGET GUIDELINES---PSC - 0763

### OVERVIEW

The budget categories and line items described below have been adapted from and are consistent with similar procedures used by DSAMH in the development of budgets and rates for many of its current alcoholism, drug abuse and mental health programs. To aid DSAMH in comparing programs and budgets across all proposer agencies and programs, all proposers are requested to submit budget proposals in a common budget format.

The Division recognizes that providers will incur both direct and indirect (i.e., overhead) costs, in providing services to clients. These procedures are intended to guide potential providers in developing a program budget which represents fairly the reasonable and necessary costs they incur in serving clients.

### ALLOWABLE COSTS

Program costs may be classified into two components. These are:

- Direct Costs
- Indirect Costs

Direct Costs are those costs which can be readily identified with the specific program or service provided. As an example, the salary of a clinician who is assigned full time to the proposed Program is readily identifiable and easily associated with the Program. Indirect Costs are those costs which cannot be specifically identified with a service. As an example, the payroll function of an organization which operates multiple programs, cannot be easily associated with the specific service provided.

Those cost elements which cannot be readily associated with a service must be accumulated in a cost pool (i.e., the Indirect Cost Pool) and then allocated on a rational basis to the
various provider programs which share or benefit from the incurrence of the costs.

It should be noted that an Indirect Cost element for some providers could be considered to be a Direct Cost for other providers. Building upon the example of

the payroll function, a provider which operates only one program could consider the payroll function to be a Direct Cost since all payroll costs would be readily identifiable with the single program operated by that provider.

Since these procedures must accommodate providers with somewhat different operating structures, it has been necessary to establish decisional rules as to which cost elements will be classified as Direct or Indirect Costs. These decisional rules establish comparability of cost treatments across all providers.

## DIRECT COSTS

The following cost elements are considered to be Direct Cost elements which, subject to the conditions and restrictions set forth in conjunction with the definition, constitute allowable Direct Costs for purposes of developing the provider budget. The cost elements are generally arrayed in the order in which they appear on the DSAMH Program Budget Form.

### Direct Personnel Costs

In calculating allowable Direct Personnel Costs, providers must prorate the salaries of employees across all programs in which those employees serve. As an example, if an employee works half-time in the proposed Program and half time in another provider program, only 50 percent of the employee's salary would be assigned to the proposed Program.

Providers are required to institute and maintain reporting systems which identify an after-the-fact determination of the actual activity of each employee who performs activities for both the proposed Program and other programs operated by the provider. The activity reporting requirement is not necessary for staff who work exclusively (i.e., on a full time basis) on (proposed) Program activities.

The reporting system for employees with multi-program work responsibilities:

- must account for the total activity for which employees are compensated
- must be signed by the individual employee to attest that the distribution of activity reported reasonably reflects the actual work performed by the employee during the report period.

Direct Personnel Costs for the proposed Program may include:

- salaries and wages
- supplemental compensation, including bonuses (**providers must attach all relevant policies and procedures to the budget submission if this cost component is included in Direct Personnel Costs**)
- sick pay

- holiday pay

- vacation pay

- shift differential pay.

Fringe Benefit Costs - Fringe benefit costs for Program Personnel are allowable if they are provided as a part of the conditions of employment. Allowable Fringe Benefit Costs include three categories of fringe benefit costs. These categories are:

- payroll tax (i.e., the employer's portion of FICA)

- health benefit costs

- other fringe benefit costs. Other fringe benefit costs may include such costs as:

  Pension/Retirement
  State Unemployment Insurance
  State Industrial Insurance
  Uniforms (Job Related).

Providers who are operating multiple programs may employ the following methodology to determine the allocation of each category of fringe benefit costs to the proposed Program. The
payroll tax category of fringe benefit costs has been used for illustrative purposes.

1. Calculate total salary costs for all provider personnel for all programs including administrative functions.

2. Calculate total payroll tax costs for all provider staff.

3. Divide total payroll tax costs (step 2 above) by total salary costs (step 1 above). This calculation is the percentage of salary costs attributable to payroll tax (i.e., the payroll tax rate).

4. Multiply salary costs of Program personnel by the payroll tax rate determined from step 3 above. This calculation is the allowable payroll tax cost assignable to the proposed Program.

Health Benefit Costs and Other Fringe Benefit Costs may be allocated using this same methodology.

Other rational bases for allocating fringe benefit costs are also allowable provided that:

- the methodology is documented in the provider's files

- the methodology is not changed from year-to-year without the prior consent of DSAMH.

Consultant Costs - Consultant costs which are allowable costs include:

- accounting and auditing services
- management consulting
- engineering and architectural services
- special legal services
- other contracted professional and technical services.

If a consultant service benefits other provider programs in addition to the proposed Program, the consultant cost must be prorated between the proposed Program and the other provider programs sharing the benefits of the consulting service. Again the allocation basis must be a rational system which is both documented and consistently applied from year-to-year. As an example, a rational system for allocating contracted architectural services would be the square footage of the provider facility assigned to each respective program which benefited from the architectural change. If square footage is adopted as the allocation methodology for contracted architectural services, then this methodology must be maintained in ensuing contract years. Prior approval of DSAMH is required before an allocation methodology can be changed by the provider.

A copy of the contract document should be maintained on file at the program site.

Contractual Staff Costs - Providers may contract with staff in lieu of hiring these staff as employees. The costs of contracted staff are allowable costs subject to the following conditions.

1. Contracted Direct Care staff must meet the skills and experience criteria required for the performance of direct care services expected to be rendered.

2. Contracted staff must be included in the calculation of full time equivalent (FTE) employees assigned to the program.

3. If a contracted individual is assigned to several provider programs, the provider must record time spent by the individual working in each program, and allocate contract costs between the programs on the basis of time spent in each program.

4. A copy of the contract with the staff individual should be maintained on file at the program site.

Staff Training Costs - Staff training costs are allowable costs under the following circumstances. The training costs must be incurred by the provider for planned, structured training activities for the purpose of improving, enhancing or extending

job related knowledge and skills of provider staff or contracted provider staff. Trainee salary costs should not be considered a staff training cost.

Travel costs associated with transporting staff to a training site or lodging staff during a training event should not be reported as a training cost, but rather should be recorded as a Transportation and/or Meals and Lodging Cost.

Staff Mileage Costs - Staff mileage costs are allowable costs if the mileage is incurred while traveling on Program business. Mileage to and from the staff person's residence to the program work site is not an allowable cost.

Provider reimbursement rates for employee mileage may not exceed the guidelines established for each Tax Year by the Federal government for business use of vehicle.

To document employee mileage reimbursement requests, the provider must establish policies that collect at a minimum the following data elements from staff requesting mileage reimbursement:

- the date on which the travel took place
- the name of the client visited or the purpose of the travel for non-client related travel
- the location at which the travel started and the destination location
- the mileage for the trip
- the name of the staff person incurring the mileage expense.

Staff Public Transportation - Public Transportation costs include commercial airlines, rail transportation and cab service. These costs are allowable if the travel is for the purpose of Program business. **Travel costs in excess of "coach class" fares are not allowable.**

Providers should document transportation costs in a manner similar to that described above for "Staff Mileage Costs". In addition, receipts for commercial carriers should be maintained in the provider's files.

Meals and Lodging Costs - Reasonable meal and lodging costs which are associated with travel are allowable costs subject to the following limitation:

1. Meals and Lodging Costs are only allowable for staff members or contracted Care workers assigned to the proposed Program.
2. Meal costs are allowable only if the staff person is in an overnight travel status.
3. Entertainment expenses incurred by a program staff member on behalf of or for the benefit of a third party are not allowable.

4. Meal and lodging costs are allowable only if the costs are incurred in relationship to proposed Program business.

The provider should establish internal procedures which document expenditures for meals and lodging. These reporting procedures should parallel those described in association with "Staff Mileage Costs". Receipts should be maintained for all staff lodging costs.

Occupancy Costs (Rental Facilities) - Subject to the limitations described below, rental costs for building facilities are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property; market conditions in the area; alternatives available; and the type, condition and value of the property leased.

1. Rental costs under sale and leaseback arrangements are allowable only up to the amount that would be allowed had the provider agency continued to own the property.

2. Rental costs under less-than-arm's-length leases are allowable only up to the amount that would be allowed had title to the property vested in the provider agency. A less-than-arm's-length lease is one under which one party to the lease agreement is able to control or substantially influence the other.

3. Rental costs under leases which create a material equity in the leased property are allowable only up to the amount that would be allowed had the provider agency purchased the property on the date the lease agreement was executed including depreciation and allowable interest expenses.

4. Rental costs for facilities which house multiple provider programs must be allocated on a rational basis to the programs sharing the facility.

Occupancy costs for building rental are a separate cost element and should be accumulated and reported separately and distinctly from other occupancy related cost categories described below.

Note: Costs associated with any rental of client housing should not be included in the Occupancy Cost category. Client housing costs are allowable and reimbursable ONLY in specifically designated DSAMH program types. Budget form instructions appearing below require a complete explanation of this expense category if budgeted.

Occupancy Costs (Provider Owned Facility) - Providers may be compensated for the use of their owned facilities through:

- a depreciation or use allowance

- the allowability of interest charges for capital indebtedness.

Depreciation is an allowable cost provided that:

1. The computation of the depreciation allowance excludes the cost of land.

2. The computation of the depreciation allowance is based upon the acquisition cost of the facility.

3. The method of depreciation used to assign the cost of an asset to accounting periods shall reflect the pattern of consumption of the asset during its useful life. A straight line method of depreciation should be used if there is no clear evidence that the expected consumption of the asset will be greater/lesser in the earlier/later portions of its useful life.

4. A depreciation method that has been adopted for a provider owned facility may not be changed at some future point in time without the prior approval of DSAMH.

Interest charges on capital indebtedness are also an allowable cost. Mortgage interest refers to the interest expense incurred by the borrower on a loan which is secured by a mortgage.

Mortgage loans are customarily liquidated by periodic payments over the term of the mortgage. These periodic payments include both interest and principal. The interest portion of the mortgage payment is an allowable cost. **Principal payments are <u>not</u> an allowable cost.**

Interest charges on capital indebtedness are allowable under the condition that the rate is not in excess of what a prudent borrower would have had to pay in an arm's length transaction in the money market when the loan was made.

Note: All remaining categories of occupancy related costs (e.g., rent, utilities, taxes, etc.) for providers operating multiple facilities or multiple programs within a single facility must be allocated on a rational basis to the programs sharing or using the facility. These other categories of occupancy costs are described below.

<u>Real Estate Taxes and Property Insurance</u> - Taxes and property insurance on the provider facility are an allowable cost.

<u>License, Permits, Fee Costs</u> - The cost of state or local licenses or permits necessary for the provider to operate the building facility and/or offer proposed Program services are allowable costs.

<u>Utilities</u> - Utility costs associated with the operation of the proposed Program are allowable costs.

<u>Repair and Maintenance Costs</u> - This expense category is used to record the costs of labor and/or supplies furnished by other than provider staff for the repair and maintenance of the facility or facility capital equipment used by the proposed Program. Repair and maintenance costs are an allowable cost.

<u>Rent</u> - See "Occupancy Costs" (Rental Facilities) above.

Custodial Supplies - Custodial supply costs include the costs of supplies which are purchased and consumed within the facility such as for cleaning and sanitation purposes. Custodial supply costs are an allowable cost.

Insurance Costs - Insurance costs include the cost of coverage for fire, theft, liability, and other forms of insurance which are not directly related to:

- Employee benefits. Insurance related to employee benefits such as health insurance or life insurance should be recorded as a "Fringe Benefit" cost.

- Motor vehicle insurance. Automobile insurance for provider owned or leased vehicles should be recorded as a "Vehicle Insurance and Tax" cost.

- Professional Liability. Insurance related to coverage of the agency or staff for malpractice or similar liability should be recorded as an "Other Operational" cost.

Reasonable costs to insure the building facility and staff from loss or liability are allowable costs. Insurance costs must be prorated on a rational basis to the programs which share the facility being insured.

Other - This cost category includes other building occupancy costs not otherwise classified as a distinct cost category. Examples include laundry services, cleaning services, contracted custodial services and lawn and grounds maintenance. These costs are allowable, if they are reasonable and necessary for the operation of the proposed Program.

Vehicle Operations Costs (Vehicles Owned by the Provider) - Providers may be compensated for the use of provider owned vehicles assigned to or used by Program staff in the official conduct of their program duties. Two alternative options may be utilized.

**Option #1** - Under this option providers may charge the program the applicable guideline amount for miles driven on Program business. This mileage rate is all inclusive of gasoline, insurance, depreciation and maintenance. Providers electing this option need only prorate mileage between the proposed Program and:

- other programs if the provider operates multiple programs which share the use of the vehicle

- personal use, if the vehicle is used on occasion for other than official Program business.

The allocation described above can be readily accomplished by maintaining a trip log in each vehicle. Individuals using the vehicle should note:

- the program to which the mileage is assignable

- the client visited or other program related reason for Program business

- the individual using the vehicle
- the starting location and destination for the trip
- the mileage for the trip.

The trip log serves as documentation of program miles driven and permits the rapid calculation of costs attributable to the Program.

**Option #2** - Under this option providers may elect to be compensated for provider owned vehicles through the form of:

- a depreciation allowance for the vehicle
- reimbursement for interest for capital indebtedness for the vehicle
- reimbursement for vehicle operating and maintenance costs (e.g., gas, oil, and insurance).

Providers electing this option are required to select a depreciation allowance method which:

- is based upon the acquisition cost of the vehicle
- assigns the cost of the asset to accounting periods in a way which reflect the consumption of the asset during its useful life.

If the vehicle is not dedicated exclusively to the proposed Program, the depreciation allowance must be allocated on a rational basis between the proposed Program and other programs sharing the use of the vehicle.

Interest charges for indebtedness for the vehicle are also allowable providing that the interest rate is not in excess of what a prudent borrower would have had to pay in an arm's length transaction in the money market when the loan was made.

The portion of the monthly payment to the fiscal agent which is attributable to principle reduction is not an allowable cost. Interest charges on the asset must also be allocated to the program sharing the use of the vehicle if the vehicle is not exclusively dedicated to the proposed Program. The same allocation methodology used to calculate the pro rata share of depreciation costs assignable to the proposed Program should be used to allocate interest.

<u>Vehicle Operations Costs (Leased Vehicles)</u> - The cost of leasing a vehicle is an allowable Program cost provided that the lease rate is not in excess of what a prudent borrower would have had to pay in an arm's length transaction at the time that the lease was entered into.

Certain leases contain options which allow the leaser to acquire the vehicle at a rate below fair market value at the conclusion of the lease period. Providers selecting lease arrangements of this nature must make a pro rata adjustment in the lease rate charged to the proposed Program to reflect the share of the asset's value which will be acquired at the conclusion of the lease period by virtue of the option to buy discount.

If the vehicle is shared by other provider programs, the cost of the lease must be allocated to participating programs on a rational basis.

Gas and Oil Costs - Gas and oil costs to operate vehicles are allowable for:

- providers operating leased vehicles
- providers electing the Option #2 form of costing for provider owned vehicles. See "Vehicle Operations Costs (Vehicle Owned by Provider)".

Providers with multiple programs which share a vehicle must allocate Gas and Oil costs among user programs on a rational basis.

Vehicle Repair and Maintenance Costs - Vehicle repair and maintenance costs are allowable costs to the extent that these costs are not recoverable:

- from an insuring entity
- from the leasing entity, if applicable
- as a car warranty reimbursement.

Providers must have elected the Option #2 form of costing for provider owned vehicles in order to receive reimbursement for Vehicle Repair and Maintenance Costs. See "Vehicle Operations Costs" (Vehicle Owned by Provider).

Providers with multiple programs which share a vehicle must allocate vehicle repair and maintenance costs among user programs on a rational basis.

Vehicle Lease Costs - See "Vehicle Operations Cost (Leased Vehicles)" above.

Vehicle Insurance and Tax Costs - Vehicle insurance and tax costs are an allowable cost if the provider elected the Option #2 form of costing provider owned vehicles. See "Vehicle Operations Costs" (Vehicle Owned by Provider). Tax costs which are allowable include:

- title and transfer fees
- state and local use permits (i.e., license plates and municipal stickers)
- other vehicle taxes which are necessary and reasonable to the operation of the vehicle.

Providers with multiple programs which share a vehicle must allocate vehicle insurance and tax costs among user programs on a rational basis.

Contractual Transportation - Providers may occasionally find it necessary to rent special purpose vehicles such as a bus or a van to transport large numbers of program staff to a location. Costs of contractual transportation of this nature are allowable if the purpose of the activity associated with the contractual transportation is for the purpose of a legitimate Program function.

Public Transportation (Client) - Public transportation costs for clients even if the purpose of the transportation is directly related to the provision of authorized services and the client is economically unable to personally fund the public transportation costs are allowable and cost-reimbursable ONLY in specifically designated DSAMH program types.

Provider staff public transportation costs may not be charged or recorded to this cost category.

Other - Additional costs associated with the operation and use of vehicles which are not appropriate to a previously described cost category should be recorded as a part of this cost category.

Examples might include:

- garage fees or parking fees
- alteration of vehicle to accommodate the handicapped clients.

These miscellaneous costs are allowable if the vehicle incurring these miscellaneous costs is used for proposed Program functions.

Food and Grocery Costs - Food and grocery costs for Program clients are allowable and cost-reimbursable ONLY in specifically designated DSAMH program types.

Educational Supplies - Educational supplies for Program clients are allowable and cost-reimbursable ONLY in specifically designated DSAMH program types. If allowable, these costs should be calculated at their actual prices after deducting all cash discounts, trade discounts, rebates and allowances received by the provider agency.

Miscellaneous Client Expenses - The provision of emergency funds or other direct payments to clients is allowable and cost-reimbursable ONLY in specifically designated DSAMH program types. If allowable, this category would include the cost of providing prescription and non-prescription drugs purchased and administered to the client and other assistance provided directly to clients which does not fall into any other specified category of client costs. **This cost is to be submitted in the Client Assistance Budget rather than the operating budget.**

Client Rental Assistance - The cost associated with providing housing or rental assistance to clients is allowable and cost-reimbursable ONLY in specifically designated DSAMH program types. **This cost is to be submitted in the Client Assistance Budget rather than the operating budget.**

Other Client Expenses - See "Miscellaneous Client Expenses" above.
**This cost is to be submitted in the Client Assistance Budget rather than the operating budget.**

Operating Expenses - Certain categories of operating costs are allowable if they are directly assignable and traceable to the proposed Program. Allowable operating expenses for the proposed Program include reasonable and necessary costs for:

- telephone
- postage
- printing and reproduction
- office supplies
- equipment rental
- equipment repair and maintenance
- other miscellaneous operating expenses.

These costs are generally allowable only if they are separate and distinct from the operating expense cost elements of other programs operated by the provider. If these cost elements are shared by other provider programs, these costs should be allocated as an indirect cost rather than as a direct program cost.

In order to claim operating expenses as a direct rather than indirect cost, the provider must establish and enforce procedures which prevent the commingling of operating cost elements between programs. As examples:

- office supplies for the proposed Program should be stored at the program location and kept physically apart from office supplies for other provider programs
- the phones used at the program location should be separately billed by the phone company
- equipment rented should be physically situated at the proposed program location and must not be shared with other programs.

Operating expenses can be most readily isolated if the proposed Program is assigned a finite space within the provider's facility. Equipment, phones and office supplies can then be isolated at the proposed program location.

Advertising Costs - Advertising costs except for recruitment of proposed Program personnel are not allowable costs

All allowable Direct Costs for the proposed Program constitute the "Direct Cost pool" for the proposed Program.

## UNALLOWABLE ITEMS OF COST

Direct Costs were discussed above in relationship to the Program budget form currently utilized by DSAMH in establishing budgets for providers of contractual services.

To further guide providers in understanding which cost elements are not allowable Program costs, a listing of unallowable cost elements is presented below. This listing is not intended to be all inclusive, but rather is intended to note major cost elements with which providers have experienced problems.

Unallowable Program cost elements which cannot be incorporated into the budget provider costs for:

- Bad Debt
- Contingency Provisions or Contingency Reserves
- Contributions
- Donations
- Entertainment Costs
- Equipment Costs or Other Capital Expenditures (Note: although the acquisition cost of equipment, land and facilities is not allowable, providers are allowed to claim depreciation and interest on mortgages and other capital plan loans).

**EXCEPTION: [Initial acquisition costs for equipment and other capital items may be reimbursable by DSAMH under a contractual cost-reimbursement provision of MOST DSAMH cost-reimbursement contracts--See budget form instructions.] [This cost IS considered allowable for the program requested under PSC - 0763].**

- Fines and Penalties
- Idle Facilities and Idle Capacity
- Fund-Raising Costs
- Investment Management Costs
- Interest other than for Capital Expenditures

- Losses on Other Contracts or Previous Contracts

- Organization Costs such as incorporation fees or fees to
- promoters and organizers

- Participant Support Costs

- Pre-Award Costs which include all costs incurred prior to the effective date of DSAMH's service agreement with the provider

- Public Information Services Costs

- Publication Costs.

DSAMH has modeled its definition of allowable/unallowable costs on Federal guidelines. A more detailed listing of allowable and unallowable cost elements is presented in the Code of Federal Regulations (CFR). Providers seeking guidance with respect to a cost element not referenced as either allowable or unallowable should consult the CFR for further guidance.

## INDIRECT COSTS

An indirect cost is one which, because of its incurrence for common or joint objectives, is not readily subject to treatment as a direct cost.

After direct costs have been determined and charged directly to the programs operated by the provider, indirect costs are those residual costs which remain to be allocated.

The residual costs remaining to be allocated will normally be summed into a pool of costs termed the Indirect Cost Pool and then allocated back to the alternative cost centers (i.e., programs) operated by the provider.

The steps associated with creating and allocating indirect costs are described below.

## IDENTIFICATION OF INDIRECT COST ELEMENTS

Only providers who operate additional programs beyond the proposed Program are required to prepare an Indirect Cost allocation plan. This is the case because providers who are operating only the single proposed Program should be able to classify all costs as direct costs.

Providers with multiple programs should calculate their Indirect Costs so that these costs can be incorporated into the development of their program budgets.

The initial step in developing Indirect Costs is to define direct costs for each program operated by the provider. A separate direct cost pool must be created for each specific program.

Earlier, the procedures to develop direct costs for the proposed Program were defined. A similar procedure should be used in creating direct costs for other programs operated by the provider.

It should be noted that other programs may have additional direct cost elements which are not utilized in the proposed Program. These additional elements of direct costs should be included as
appropriate in the construction of direct cost pools for other provider operated programs.

After all direct costs have been assigned to their respective programs and cost pools, the residual of unassigned provider costs constitutes the preliminary Indirect Cost pool to be allocated. Two additional steps must be performed before this preliminary pool of Indirect Costs can be allocated to the proposed Program and other programs operated by the provider.
These steps are:

- purifying the preliminary indirect cost pool by excluding unallowable indirect costs

- creating an allocation methodology which rationally allocates indirect costs to the respective programs operated by the provider.

These steps are described in more detail below.

## EXCLUDING UNALLOWABLE INDIRECT COST ELEMENTS

After residual unassigned costs have been identified and aggregated into the preliminary Indirect Cost pool, each Indirect Cost element should be reviewed to determine whether it is an allowable or unallowable cost element. The same rules which applied to allowability or unallowability of Direct Cost elements also applies to Indirect Cost elements. The discussion of direct costs, above, defines the most commonly encountered "unallowable" cost elements.

Providers should compare their Indirect Cost elements with the listing above and exclude those cost elements which are "unallowable". The Code of Federal Regulations (CFR) should also be consulted if there is a question regarding the allowability of any specific Indirect Cost element.

After "unallowable" cost elements have been deducted from the preliminary Indirect Cost pool, the residual cost elements constitute the provider's Indirect Cost pool. The specific cost elements which comprise this Indirect Cost pool should be documented and maintained on file for periodic review by DSAMH personnel.

## ALLOCATING THE INDIRECT COST POOL TO THE PROGRAMS OPERATED BY THE PROVIDER

In order to allocate the Indirect Cost pool to the various programs operated by the provider, it is necessary to construct an allocation methodology which will rationally allocate Indirect Costs to the programs in a proportionate manner which reasonably reflects the benefit each program receives from the Indirect Cost expenditures.

Acceptable methodologies for allocating Indirect Costs to the programs include prorations based upon:

- total Direct Costs, or
- total direct salaries and wages.

These simplified methods of allocating Indirect Costs are permissible if there are no known environmental factors which would substantially affect the Indirect Costs applicable to a particular segment of the provider's programs.

Providers who believe that one of the simplified allocation methodologies described here would be inappropriate for their organizations should consult with DSAMH regarding alternative permissible allocation methodologies for Indirect Costs.

Once a provider has established the allocation methodology to be used for distributing Indirect Costs, this same methodology must be used in making future year's allocations. The provider must make a written request to DSAMH for approval of a change in methodology and must submit reasonable justification for the requested change. A change in allocation methodologies must be approved in writing by DSAMH before it may be used by the provider.

## LIMITATION ON INDIRECT COSTS

For purposes of cost containment DSAMH has established a ceiling for Indirect Costs. This ceiling is 12.0 percent of total Program allowable Direct Costs.

Providers may claim the lesser of their pro rata allocation of indirect costs to the proposed Program or 12.0 percent of total allowable proposed Program Direct Costs.

## PROCEDURES FOR DEVELOPING THE BUDGET PROPOSAL

Proposers are requested to submit budgets which have been prepared in accordance with the foregoing guidelines regarding allowable/unallowable costs on the forms provided.

## BUDGET PREPARATION INTRODUCTION

**Form D of PSC - 0763** contains an example of the budget format to be used for budget proposals.

## BUDGET PREPARATION INSTRUCTIONS

The first sheet of the budget form contains summary information about the proposed program and budget. Each item number below refers to a corresponding number on Budget Proposal (Form D):

Item 1 - Provider Name. Enter the name of your organization as it should appear on official contract documents.

Item 2 - Name of Contact Person. Identify the name of an individual within your organization who is knowledgeable about the budget you have submitted and who is authorized by your organization to discuss it.

Item 3 - Contact Person's Phone Number. Provide a phone number for the contact person identified in Item 3 above.

Item 4 - Program Name. Enter the program name for the program which this budget has been prepared for. Generally, the Program should constitute an identifiable cost center or budget entity within the Proposer's organization. [For proposals in response to PSC -0763, the program name may be entered as "AOD Day Treatment Program".]

Item 5 - Budget Period. Enter in this item the time period over which the budget is intended to support the proposed program (e.g.: July 1, 2001 through June 30, 2002).

The remainder of the budget submission format requests information regarding program costs by cost category. When entering cost data, providers should refer to previously provided instructions to ensure that cost elements reported on the budget form are allowable and fully conform with the procedures identified.

Item 6 - Direct Personnel Staff Roster. Enter the name and Functional Title of each individual who will participate in the proposed Program in the year being budgeted. The following additional instructions should be considered when making Item 6, Staff Roster, entries.

a) The staff roster should include both salaried employees and contracted employees who will participate in the program. Consult Item 48 for more information on the differences between contracted staff and consultant costs.

b) If a position is not currently filled, but you intend to fill the position sometime during the budget year, insert the word "vacant" in place of a staff name.

c) Consideration should be given as to whether employees/contract staff are directly a part of the proposed Program or should more appropriately be considered as an indirect cost of the program. (See previous discussion of Direct and Indirect Costs).

Item 7 - Employee Status. For each position listed in the staff roster in Item 8, indicate whether the staff person is a salaried employee or a contracted employee. Enter an "S" for salaried employees or enter a "C" for contracted employees.

Item 8 - Full Time Equivalent. Item 8 is intended to capture the percentage of time that each individual will be dedicated to the proposed Program.

Enter the value "1.0" (one) for each person who will be dedicated on a full time basis to the Program you are budgeting for.

Some staff may be assigned to the program on less than a full-time basis. In these situations enter the percentage of time this individual will be dedicated to this program.

As examples of this point:

- a half-time employee would be coded .50

- an employee that is assigned one third time to each of three separate programs operated by the provider would be coded as a .33 full-time equivalent to each of the three programs.

Additionally, some full-time staff may be hired later in the contract year (e.g., employment month of January), especially in the start up year of a proposed Program. In these cases, the full-time equivalent percentage should be adjusted to reflect a planned full-time hire who will work less than the full 12 months of the contract year in which he was employed. For example, a full-time staff with a planned employment date in month six of the contract year would be coded as a .5 FTE in his first year and 1.0 FTE in subsequent contract years. **[The budget proposal narrative must indicate positions for which the FTE and budgeted amounts are affected by this delayed-hire provision.]**

Item 9 - Total Full Time Equivalent (FTE) Staff. Add the FTE amount for each entry in Item 8 and enter the total of these FTEs as Item 9.

Item 10 - Program Direct Staff Costs. For each functional position listed in the Staff Roster, Item 6, indicate the wages or contract amounts to be

paid to that individual for the budget year which are assignable to the proposed Program as a program cost.

Individual program costs may or may not be a percentage of an employee's wages. Employees who are assigned to more than one provider program must have their wages allocated to each of the programs they are assigned to.

Additionally, some providers may choose to use other funding sources to offset a portion of a particular employee's wage costs. Such sums would be deducted from the wages assigned as a contract cost.

For salaried employees, annual compensation includes salary, shift differentials and bonuses. If employees are likely to receive salary increases during the budget year, the amount of these salary increases should be included on a pro rata basis adjusted for the effective date of the salary increase.

For contracted staff, annual compensation will likely include both compensation and fringe benefits since most personal services contracts do not separately identify that portion of the contractor's fees which are assignable to fringe benefits.

Note: Providers must execute a personal services contract with each contracted employee. This contract must be maintained on file for periodic inspection by DSAMH officials. At a minimum the personal services contract must identify:

- the services to be provided by the contract employee
- the Program functional title that will apply to the contract employee
- the rate per hour the contract employee is to receive
- the maximum hours that the contract employee is allowed to bill during the budget year
- the contract maximum. This is the rate per hour multiplied by the maximum hours which the contract employee may bill.

Item 11 - Total Program Direct Staff Costs. Add the cost for each entry in the Program Direct Staff Cost column (Item 10) and enter the total in Item 11.

Item 12 - Payroll Tax. Enter the payroll tax which is attributable to the employees listed on the staff roster who are categorized as salaried employees. Note: Payroll tax should not apply to contracted employees. Note Also: The payroll tax calculation for salaried

employees must include a proration of the payroll tax by program for those employees assigned to multiple provider programs.

Item 13 - Health Benefits. Enter the Health Benefit costs attributable to the employees listed on the staff roster who are categorized as salaried employees. The instructions for Item 12, Payroll Tax as they relate to employees assigned to multiple programs also pertain to the calculation of Health Benefit Costs.

Item 14 - Other Fringe Benefits. Report Other Fringe Benefits using the same allocation procedures as previously described for Payroll Tax and Health Benefits.

Item 15 - Total Fringe Benefits. Sum the entries for Payroll Tax, Health Benefits, and Other Fringe Benefits and enter this sum as "Total Fringe Benefits".

Item 16 - Total Direct Staff and Fringe Benefit Costs. Add the total entered as Item 11, Total Program Direct Staff Costs, and the total entered as Item 15, Total Fringe Benefits, and enter this sum as Item 16, "Total Direct Staff and Fringe Benefit Costs".

Items 17 through 20 - Staff travel and training costs are allowable categories of cost for the proposed Program subject to certain conditions and limitations. Previous Budget Proposal instructions describe the policies applicable to this category of costs. Before budgeting costs for staff travel and training, the provider should ensure that the DSAMH policies and procedures set forth previously have been fully conformed with. Staff training and travel costs may be budgeted only for those individuals listed on the Direct Personnel Staff Roster - Item 6. Staff training costs should be prorated if other provider operated programs share or participate in proposed Program staff training events.

Item 17 - Staff Training. Enter the estimated cost of planned staff training events in the space referenced on the budget form. Staff training costs include only fees or tuition. Travel to and from the training event should be recorded as Staff Mileage, Staff Public Transportation and/or Staff Meals and Lodging costs.

Item 18 - Staff Mileage. Enter the estimated cost of staff mileage attributable to proposed Program activities.

Item 19 - Staff Public Transportation. Enter the estimated cost for use of public transportation by proposed Program staff.

Item 20 - Staff Meals and Lodging. Enter the estimated cost for staff meals and lodging which are necessitated by official Program business.

Item 21 - Total Staff Travel and Training Costs. Add the entries made for Staff Training, Staff Mileage, Staff Public Transportation and Staff Meals and Lodging and enter the total of these entries in the space provided.

Item 22 - Other Income Applied. This **column** of the budget form should be used to report other income which the provider allocates to the proposed Program.

If other income is to be applied to the proposed Program, providers should attempt to allocate these funds by cost element on the budget form.

Other income should be entered in the spaces corresponding to numbered lines and category totals applicable to the total program.

Item 23 - Anticipated Contract Costs. This **column** represents the Difference between Program Costs and Other Income Applied (Item 22).

Item 24 - Real Estate Tax/Property Insurance. Providers operating multiple programs in their building facilities must allocate the real estate tax and property insurance to the programs sharing the facilities. Your budget submission should represent only the pro rata share of these taxes and insurance which are allocable to the proposed Program.

Item 25 - Licenses, Permits and Fees. Providers operating multiple programs in their building facilities must allocate their building licenses, permits, and fee costs in this line Item. Enter only the pro rata share of these costs attributable to the proposed Program.

Item 26 - Utilities. Prorate utility costs among the programs operated by the provider which share the facility for which utility costs were billed. Report only that pro rata share of utility costs which is allocable to the proposed Program.

Item 27 - Repair and Maintenance. Allocate repair and maintenance costs for a facility to the provider programs which share that facility. Enter only the pro rata share of repair and maintenance costs which are allocable to the proposed Program.

Note: Repair and maintenance costs should not include the salary costs of provider employees who perform repair and maintenance functions. Salary costs of provider employees performing repair and maintenance functions should be considered to be an "indirect cost" for the proposed Program.

Item 28 - Rent. Allocate rental payments for building facilities to the programs sharing the facility. Enter on the budget form only the share of rental costs which are assignable to the proposed Program. [See Budget

Guidelines re: Occupancy Cost (Rental Facilities) regarding Client Rental Costs vs. Facility rental costs.]

Item 29 - Custodial Supplies. Allocate custodial supplies to the programs sharing in their usage. Enter the proposed Program's share of the cost of these custodial supplies.

Item 30 - Insurance. Allocate building insurance costs to the programs using those buildings which have been insured. Enter the proposed Program's share of the cost of the insurance.

Item 31 - Other Occupancy Costs. Providers wishing to report other occupancy costs should attach a detail sheet which defines the nature of these costs. The total of these "Other Occupancy Costs" which represents the proposed Program's pro rata share should be entered in the space provided on the budget form.

Providers who own rather than lease their buildings should use this space to report Building Depreciation Costs and Mortgage Interest Costs. Both Depreciation and Interest Costs must be allocated to the programs which share the use of the facility.

This line item in your budget submission may also be used to report any contracted occupancy related costs such as contracted housekeeping services or contracted lawn services.

Each entry you record as an "Other Occupancy Cost" should be described in more detail in a separate narrative statement which should be appended to your budget submission.

Item 32 - Total Occupancy Costs - Sum all entries made relating to Occupancy Costs (i.e., Items 24 through 31) and enter the total in the space provided.

Item 33 through Item 35 - Guidelines provided previously provide two alternative methods

for providers to expense vehicles owned by the provider. If Option #1 is selected (i.e., costing on a per mile basis), no entry should be made for Item 33 - Gas and Oil, Item 34 - Vehicle Repair and Maintenance, and Item 35 - Vehicle Insurance and Tax.

If Option #2 is selected, vehicle operating costs must be pro rated between the programs sharing the use of the vehicle. Further, the percentage of costs allocable to personal use of the vehicle must be deducted if the vehicle is used for other than official business. The same allocation methodology must be applied to each cost element (e.g., if 20 percent of Gas and Oil costs are assignable to the proposed Program, then the 20 percent allocation factor in this example would also be the proposed Program's share of vehicle repair and maintenance costs and vehicle insurance and tax costs.

Item 36 - Vehicle Lease Costs. Enter the proposed Program's share of vehicle lease costs in the space provided on the budget form.

Item 37 - Contractual Transportation. Contractual transportation costs represent the costs to rent special purpose vehicles such as a bus or a van to transport clients or staff to a location. Enter the pro rata share of these costs which are assignable to the proposed Program.

Item 38 - Public Transportation. This cost category should be used only for client public transportation costs. Staff transportation should be coded as "Staff Public Transportation" Item 19. Budget preparation guidelines presented earlier describe rules and regulations applicable to this cost element. Enter client public transportation costs in the space provided on the budget form.

Item 39 - Other Transportation Costs. Additional Program Transportation costs not classified previously on the budget form should be entered in this space. Attach a detail sheet to your budget submission which defines the nature of these costs.

Providers who own rather than lease their vehicles should use this space to report Vehicle Depreciation and Interest Costs. Both Depreciation and Interest Costs must be allocated to the programs which share the use of the vehicle.

Item 40 - Total Transportation Costs. Sum all entries made relating to Transportation Costs (i.e., Items 34 through 40) and enter the total in the space provided.

Item 41 - Food and Groceries. Enter the costs of providing food and groceries to residents of the proposed program. This cost category is applicable ONLY to specific DSAMH programs.

Item 42 - Educational Supplies. Enter the costs of providing educational supplies/materials for client education services. This cost category is applicable ONLY to specific DSAMH programs. Any cost should be fully explained in an attached detail sheet.

Item 43 - Dry Goods. Enter the cost of supplying linens, toweling, and similar items necessary to the provision of resident room and board. This cost category is applicable ONLY to specific DSAMH programs. .

Item 44 - Laundry supplies. Enter the cost of supplies used primarily for the purpose of laundering clothing, linens and related items necessary to the provision of resident room and board. This cost category is applicable ONLY to specific DSAMH programs.

Item 45 - Client Rental Assistance. Enter the cost of assisting program participants in renting a domicile separate from the proposed

program. This cost category is applicable ONLY to specific DSAMH programs.

Item 46 - Personal Care Supplies. Enter the cost of providing or assisting residents' acquisition of personal care supplies (hygienic, cosmetic and related items). This cost category is applicable ONLY to specific DSAMH program**.**

Item 47 - Other Client Assistance. Enter the cost of providing all other assistance on behalf of program participants which takes the form of cash, commodities or other gifts. This cost category is applicable ONLY to specific DSAMH programs. **Must be completely described and explained.]**

Item 48- Total Client Costs. Sum all entries made relating to client costs and enter the total in the space(s) provided.

Item 49 - Consultant Costs. Previous guidelines presented in the Budget Proposal instructions define the differences between Consultant Costs and Contracted Direct Staff. Contracted Direct Staff are to be included in the Direct Personnel Staff Roster and budgeted as a part of personnel costs. Consultant costs include professional services contracted by the provider for activities not directly related to patient care. Examples could include accounting and auditing services or management consulting services. In most instances consultant costs will benefit all programs operated by the provider. Care must be exercised in prorating the cost of consultant services to the programs that benefit from those services.

Enter the share of consultant costs which is allocated to the proposed Program in the space indicated on the budget form. **Attach a detail sheet to your budget submission that describes the nature of these consultant costs.**

Item 50 - Telephone. Cost allocation of phone charges can be averted if the phones used by proposed Program personnel are separately billed by the phone company. If phone charges cannot be isolated by provider program, then an allocation methodology must be developed to prorate expenses across all provider programs. Enter the share of telephone costs assignable to the proposed Program in the space provided on the budget form.

Item 51 - Postage. Enter the cost of postage for the proposed Program.

Item 52 - Advertising/Recruiting. Advertising, except for the purposes of recruiting staff, is not an allowable cost. Enter advertising costs on your budget form only if it is for the purpose of recruiting proposed Program staff.

Item 53 - Printing and Reproduction. Enter the cost of printing and reproducing proposed Program materials.

Item 54 - Office Supplies. Office supplies for the proposed Program should be stored and maintained in the proposed Program work space to prevent the commingling of these items with office supplies for other programs. Enter the cost of office supplies for proposed Program functions.

Item 55 - Equipment Rental. Equipment rental contracts should be executed on a program by program basis to avoid commingling of equipment between programs. A copy of the equipment rental agreements for the proposed Program should be maintained on site for periodic review by DSAMH personnel. Enter in the space provided on the budget form the total of equipment rental contracts for the proposed Program.

Item 56 - Equipment Repair/Maintenance. Enter the cost of equipment repair and maintenance for proposed Program equipment.

Item 57 - Other Operating Costs. Cost elements which could not be classified elsewhere as an operating cost should be entered in this budget line. **A detailed description of the items budgeted for this cost category must be attached to the budget form.**

**Item 58 - Enter the cost of any requested equipment and/or other capital expenditures requested. As per guidelines and instructions presented previously, such expenses are not allowable for some programs using a unit-rate payment mechanism (although interest and depreciation are allowable). Attach a detailed listing, including justification, of proposed equipment and capital purchases requested as cost-reimbursable items. [This item is generally allowable with regard to the program sought under PSC - 0763].**

Item 59 - Total Operating Costs. Sum all entries made relating to operating expenses (i.e., Items 49 through 59) and enter the total in the space provided.

Item 60 - Total Direct Program Costs. Total Direct Program Costs are the sum of:

- Total Direct Personnel and Fringe Benefit Costs (Item 16)
- Total Staff Travel and Training Costs (Item 21)
- Total Occupancy Costs (Item 32)
- Total Transportation Costs (Item 40)

- Total Client Costs (Item 48)

- Total Operating Costs (Item 59).

Sum the entries for each of these subtotals and enter the amount in the space provided for Item 60.

Item 61 - Allocation of Indirect Costs. Discussion of indirect costs presented previously describes the procedures for creating an Indirect Cost Pool and allocating the Indirect Cost Pool to the individual programs operated by the provider.

Providers operating multiple programs must calculate their Indirect Cost allocation to the proposed Program. These providers should then multiply their Total Direct Program Cost (Item 60) on the budget worksheet by (12.0 percent). The lesser of 12.0 percent of Total Direct Program Costs or the calculated share of Indirect Costs assignable to the proposed Program should be entered as the provider's indirect cost.

Item 62 - Total Program Cost. Add Total Direct Program Costs (Item 60) and the Allocation of Indirect Cost (Item 61) and enter this sum in the space indicated. This number is the amount of funds you expect to require in order to operate the total program for the budget period (Item 5).

Item 63 - Total Other Income Applied. Item 22 instructions for the budget requested that providers identify other income that will be provided to the proposed Program. Enter the Total of other income to be applied to the program in the space indicated for Item 63.

Item 64 - Total DSAMH Contract Request. Enter the difference between Total Program Cost (Item 62) and the Total Other Income Applied (Item 63). This represents the Contract amount which is being requested from DSAMH in support of the budgeted Program for the budget period (Item 5).

Item 65 - Other Sources of Income. The sources of any Other Income to be applied (Item 63) must be specified. The amount anticipated from each source must be estimated.

# Contract Boiler Plate

A) Introduction

1. This contract is entered into between the Delaware Department of Health and Social Services (the Department), Division of _____ (Division) and _____(the Contractor).

2. The Contract shall commence on _____ and terminate on _____ unless specifically extended by an amendment, signed by all parties to the Contract. Time is of the essence. (Effective contract start date is subject to the provisions of Paragraph C 1 of this Agreement.)

B) Administrative Requirements

1. Contractor recognizes that it is operating as an independent Contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the Contractor's negligent performance under this Contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the Contractor in their negligent performance under this Contract.

2. The Contractor shall maintain such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this Contract. The Contractor is an independent contractor and is not an employee of the State.

3. During the term of this Contract, the Contractor shall, at its own expense, carry insurance with minimum coverage limits as follows:

a) Comprehensive General Liability $1,000,000
and
b) Medical/Professional Liability $1,000,000/ $3,000,000

or c) Misc. Errors and Omissions $1,000,000/$3,000,000

or d) Product Liability $1,000,000/$3,000,000

All contractors must carry (a) and at least one of (b), (c), or (d), depending on the type of service or product being delivered.

If the contractual service requires the transportation of Departmental clients or staff, the contractor shall, in addition to the above coverage, secure at its own expense the following coverage:

e) Automotive Liability (Bodily Injury) $100,000/$300,000
f) Automotive Property Damage (to others) $ 25,000

4. Not withstanding the information contained above, the Contractor shall indemnify and hold harmless the State of Delaware, the Department and the Division from contingent liability to others for damages because of bodily injury, including death, that may result from the Contractor's negligent performance under this Contract, and any other liability for damages for which the Contractor is required to indemnify the State, the Department and the Division under any provision of this Contract.

5. The policies required under Paragraph B3 must be written to include Comprehensive General Liability coverage, including Bodily Injury and Property damage insurance to protect against claims arising from the performance of the Contractor and the contractor's subcontractors under this Contract and Medical/Professional Liability coverage when applicable.

6. The Contractor shall provide a Certificate of Insurance as proof that the Contractor has the required insurance. The certificate shall identify the Department and the Division as the "Certificate Holder" and shall be valid for the contract's period of performance as detailed in Paragraph A 2.

7. The Contractor acknowledges and accepts full responsibility for securing and maintaining all licenses and permits, including the Delaware business license, as applicable and required by law, to engage in business and provide the goods and/or services to be acquired under the terms of this Contract. The Contractor acknowledges and is aware that Delaware law provides for significant penalties associated with the conduct of business without the appropriate license.

8. The Contractor agrees to comply with all State and Federal licensing standards and all other applicable standards as required to provide services under this Contract, to assure the quality of services provided under this Contract. The Contractor shall immediately notify the Department in writing of any change in the status of any accreditations, licenses or certifications in any jurisdiction in which they provide services or conduct business. If this change in status regards the fact that its accreditation, licensure, or certification is suspended, revoked, or otherwise impaired in any jurisdiction, the Contractor understands that such action may be grounds for termination of the Contract.

9. Contractor agrees to comply with all the terms, requirements and provisions of the Civil Rights Act of 1964, the Rehabilitation Act of 1973 and any other federal, state, local or any other anti discriminatory act, law, statute, regulation or policy along with all amendments and revision of these laws, in the performance of this Contract and will not discriminate against any applicant or employee or service recipient because of race, creed, religion, age, sex, color, national or ethnic origin, disability or any other unlawful discriminatory basis or criteria.

10. The Contractor agrees to provide to the Divisional Contract Manager, on an annual basis, if requested, information regarding its client population served under this Contract by race, color, national origin or disability.

11. This Contract may be terminated in whole or part:

a) by the Department upon five (5) calendar days written notice for cause or documented unsatisfactory performance,

b) by the Department upon fifteen (15) calendar days written notice of the loss of funding or reduction of funding for the stated Contractor services as described in Appendix B,

c) by either party without cause upon thirty (30) calendar days written notice to the other Party, unless a longer period is specified in Appendix A.

In the event of termination, all finished or unfinished documents, data, studies, surveys, drawings, models, maps, photographs, and reports or other material prepared by Contractor under this contract shall, at the option of the Department, become the property of the Department.

In the event of termination, the Contractor, upon receiving the termination notice, shall immediately cease work and refrain from purchasing contract related items unless otherwise instructed by the Department.

The Contractor shall be entitled to receive reasonable compensation as determined by the Department in its sole discretion for any satisfactory work completed on such documents and other materials that are usable to the Department. Whether such work is satisfactory and usable is determined by the Department in its sole discretion.

Should the Contractor cease conducting business, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or assets, or shall avail itself of, or become subject to any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or protection of the rights of creditors, then at the option of the Department, this Contract shall terminate and be of no further force and effect. Contractor shall notify the Department immediately of such events.

12. Any notice required or permitted under this Contract shall be effective upon receipt and may be hand delivered with receipt requested or by registered or certified mail

with return receipt requested. Either Party may change its address for notices and official formal correspondence upon five (5) days written notice to the other.

13. In the event of amendments to current Federal or State laws which nullify any term(s) or provision(s) of this Contract, the remainder of the Contract will remain unaffected.

14. This Contract shall not be altered, changed, modified or amended except by written consent of all Parties to the Contract.

15. The Contractor shall not enter into any subcontract for any portion of the services covered by this Contract without obtaining prior written approval of the Department. Any such subcontract shall be subject to all the conditions and provisions of this Contract. The approval requirements of this paragraph do not extend to the purchase of articles, supplies, equipment, rentals, leases and other day-to-day operational expenses in support of staff or facilities providing the services covered by this Contract.

16. This entire Contract between the Contractor and the Department is composed of these several pages and the attached:

Appendix A - Divisional Requirements

Appendix B - Services Description

Appendix C - Contract Budget

Appendix …….

17. This Contract shall be interpreted and any disputes resolved according to the Laws of the State of Delaware. Except as may be otherwise provided in this contract, all claims, counterclaims, disputes and other matters in question between the Department and Contractor arising out of or relating to this Contract or the breach thereof will be decided by arbitration if the parties hereto mutually agree, or in a court of competent jurisdiction within the State of Delaware.

18. In the event Contractor is successful in an action under the antitrust laws of the United States and/or the State of Delaware against a vendor, supplier, subcontractor, or other party who provides particular goods or services to the Contractor that impact the budget for this Contract, Contractor agrees to reimburse the State of Delaware, Department of Health and Social Services for the pro-rata portion of the damages awarded that are attributable to the goods or services used by the Contractor to fulfill the requirements of this Contract. In the event Contractor refuses or neglects after reasonable written notice by the Department to bring such antitrust action, Contractor shall be deemed to have assigned such action to the Department.

19. Contractor covenants that it presently has no interest and shall not acquire any interests, direct or indirect, that would conflict in any manner or degree with the

performance of this Contract. Contractor further covenants that in the performance of this contract, it shall not employ any person having such interest.

20. Contractor covenants that it has not employed or retained any company or person who is working primarily for the Contractor, to solicit or secure this agreement, by improperly influencing the Department or any of its employees in any professional procurement process; and, the Contractor has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working primarily for the Contractor, any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this agreement. For the violation of this provision, the Department shall have the right to terminate the agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration.

21. The Department shall have the unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data, or other materials prepared under this Contract. Contractor shall have no right to copyright any material produced in whole or in part under this Contract. Upon the request of the Department, the Contractor shall execute additional documents as are required to assure the transfer of such copyrights to the Department.

    If the use of any services or deliverables is prohibited by court action based on a U.S. patent or copyright infringement claim, Contractor shall, at its own expense, buy for the Department the right to continue using the services or deliverables or modify or replace the product with no material loss in use, at the option of the Department.

22. Contractor agrees that no information obtained pursuant to this Contract may be released in any form except in compliance with applicable laws and policies on the confidentiality of information and except as necessary for the proper discharge of the Contractor's obligations under this Contract.

23. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of this Contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Contract unless stated to be such in writing, signed by authorized representatives of all parties and attached to the original Contract.

24. If the amount of this contract listed in Paragraph C2 is over $100,000, the Contractor, by their signature in Section E, is representing that the Firm and/or its Principals, along with its subcontractors and assignees under this agreement, are not currently subject to either suspension or debarment from Procurement and Non-Procurement activities by the Federal Government.

C) Financial Requirements

1. The rights and obligations of each Party to this Contract are not effective and no Party is bound by the terms of this contract unless, and until, a validly executed Purchase Order is approved by the Secretary of Finance and received by Contractor, *if required by the State of Delaware Budget and Accounting Manual***,** and all policies and procedures of the Department of Finance have been met. The obligations of the Department under this Contract are expressly limited to the amount of any approved Purchase Order. The State will not be liable for expenditures made or services delivered prior to Contractor's receipt of the Purchase Order.

2. Total payments under this Contract shall not exceed $ _____ in accordance with the budget presented in Appendix C. Payment will be made upon receipt of an itemized invoice from the Contractor in accordance with the payment schedule, if any. The contractor or vendor must accept full payment by procurement (credit) card and or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions. Contractor is responsible for costs incurred in excess of the total cost of this Contract and the Department is not responsible for such costs.

3. The Contractor is solely responsible for the payment of all amounts due to all subcontractors and suppliers of goods, materials or services which may have been acquired by or provided to the Contractor in the performance of this contract. The Department is not responsible for the payment of such subcontractors or suppliers.

4. The Contractor shall not assign the Contract or any portion thereof without prior written approval of the Department and subject to such conditions and revisions as the Department may deem necessary. No such approval by the Department of any assignment shall be deemed to provide for the incurrence of any obligations of the Department in addition to the total agreed upon price of the Contract.

5. Contractor shall maintain books, records, documents and other evidence directly pertinent to performance under this Contract in accordance with generally accepted accounting principles and practices. Contractor shall also maintain the financial information and data used by Contractor in the preparation of support of its bid or proposal. Contractor shall retain this information for a period of five (5) years from the date services were rendered by the Contractor. Records involving matters in litigation shall be retained for one (1) year following the termination of such litigation. The Department shall have access to such books, records, documents, and other evidence for the purpose of inspection, auditing, and copying during normal business hours of the Contractor after giving reasonable notice. Contractor will provide facilities for such access and inspection.

6. The Contractor agrees that any submission by or on behalf of the Contractor of any claim for payment by the Department shall constitute certification by the Contractor that the services or items for which payment is claimed were actually rendered by the Contractor or its agents, and that all information submitted in support of the claims is true, accurate, and complete.

7 The cost of any Contract audit disallowances resulting from the examination of the Contractor's financial records will be borne by the Contractor. Reimbursement to the Department for disallowances shall be drawn from the Contractor's own resources and not charged to Contract costs or cost pools indirectly charging Contract costs.

8. When the Department desires any addition or deletion to the deliverables or a change in the services to be provided under this Contract, it shall so notify the Contractor. The Department will develop a Contract Amendment authorizing said change. The Amendment shall state whether the change shall cause an alteration in the price or time required by the Contractor for any aspect of its performance under the Contract. Pricing of changes shall be consistent with those prices or costs established within this Contract. Such amendment shall not be effective until executed by all Parties pursuant to Paragraph B 14.

D) Miscellaneous Requirements

1. *If applicable*, the Contractor agrees to adhere to the requirements of DHSS Policy Memorandum # 46, (PM # 46, effective 5/23/97), and divisional procedures regarding the reporting and investigation of suspected abuse, neglect, mistreatment, misappropriation of property and significant injury of residents/clients receiving services. The policy and procedures are included as Appendix _____ to this Contract. It is understood that adherence to this policy includes the development of appropriate procedures to implement the policy and ensuring staff receive appropriate training on the policy requirements. The Contractor's procedures must include the position(s) responsible for the PM46 process in the provider agency. Documentation of staff training on PM46 must be maintained by the Contractor.

2. The Contractor, including its parent company and its subsidiaries, and any subcontractor, including its parent company and subsidiaries, agree to comply with the provisions of 29 Del. Code, Chapter 58: "Laws Regulating the Conduct of Officers and Employees of the State," and in particular with Section 5805 (d): "Post Employment Restrictions."

3. *When required by Law*, Contractor shall conduct child abuse and adult abuse registry checks and obtain service letters in accordance with 19 Del. Code Section 708; and 11 Del. Code, Sections 8563 and 8564. Contractor shall not employ individuals with adverse registry findings in the performance of this contract.

E) Authorized Signatures:

For the Contractor:

_____
Name

_____
Title

_____
Date

For the Department:

_____
Vincent P. Meconi
Secretary

_____
Date

For the Division:

_____

Director

_____
Date