

MINNESOTA  
**MDH**  
DEPARTMENT OF HEALTH

**MEMO**

To: *Carol*  
From: Gloria Mechels, Financial Management *Gloria*  
Subject: P/T Contract  
Date: 3/12/08

**The Certification Form has been approved. You may now start the contract for encumbrance.**

\*Please make a photo copy of the approved Certification Form for your files and send the original Certification Forms and one copy of the Contract and CFMS Encumbrance Worksheet to me for encumbrance. Please make sure to use the latest revision of the Professional/Technical Contract form on the Department of Administration website.

**The Amendment Pre Approval Form has been approved. You may now start the contract for encumbrance.**

\*Keep a photo copy of the Amendment Pre Approval Form for your files and send the original form and one copy of the Contract Amendment and CFMS Encumbrance Worksheet to me for encumbrance.

**This contract has been encumbered.**

\*Send **four** copies of the contract to the contractor for signature, and return the four signed copies including CFMS Encumbrance Worksheet along with:

\_ Approved Certification Form and approved \_\_\_\_\_

\_ Please have the Contractor complete the Location of Service Disclosure and Certification:

<http://www.mmd.admin.state.mn.us/Doc/ForeignOutsourcingDisclosureCertification.doc>

\_ Amendment Pre Approval along with all prior contract documentation (original cert, original contract, any other amendments, prior and pre approvals)

**This contract needs a late letter, which can be found at:**

<http://www.mmd.admin.state.mn.us/Doc/16a16cmemo.doc>

**This contract/amendment/work order has been fully executed.**

- Keep one copy for your files and send the contractor one copy.

Finance and Facilities Management/Financial Management • 625 N Robert St •  
• St. Paul, MN 55101 • (651) 201-5239

**COPY**

**STATE OF MINNESOTA  
ENCUMBRANCE WORKSHEET**

**State Accounting Information:**

CFMS Contract No. B11920

Agency Contract Identification No.: B11920

Agency: H12	Fiscal Year: April 1, 2008- March 31, 2013	Vendor Number: 200371780-15
Total Amount of Contract: \$564,876.00	Amount of Contract Frst FY: \$101,152.00	
Commodity Code: <u>050.01</u>	Commodity Code:	Commodity Code:
Object Code: <u>2 D40</u>	Object Code:	Object Code:
Amount: \$564,876.00	Amount:	Amount:
<b>04-01-08 to 03-31-09</b> <b>Accounting Distribution 1:</b>	<b>04-01-09 to 03-31-10</b> <b>Accounting Distribution 2:</b>	<b>04-01-10 to 03-31-11</b> <b>Accounting Distribution 3:</b>
Fund: <u>170</u>	Fund: <u>170</u>	Fund: <u>170</u>
Appr: <u>173</u>	Appr: <u>173</u>	Appr: <u>173</u>
Org/Sub: <u>4110</u>	Org/Sub: <u>4110</u>	Org/Sub: <u>4110</u>
Rept Catg:	Rept Catg:	Rept Catg:
Amount: \$101,152.00	Amount: \$106,319.00	Amount: \$112,865.00
<b>04-01-11 to 03-31-12</b> <b>Accounting Distribution 4:</b>	<b>04-01-12 to 03-31-13</b> <b>Accounting Distribution 5:</b>	
Fund: <u>170</u>	Fund: <u>170</u>	
Appr: <u>173</u>	Appr: <u>173</u>	
Org/Sub: <u>4110</u>	Org/Sub: <u>4110</u>	
Rept Catg:	Rept Catg:	
Amount: \$119,020.00	Amount: \$125,520.00	



Contract Start Date: April 1, 2008

Expiration Date: March 31, 2013

Contractor Name and Address: University of Minnesota Physicians, 720 Washington Ave., S.E. Suite 200, Minneapolis, Minnesota 55414

Social Security No. or Federal Employer I.D. No.: 41-1843943

Minnesota Tax I.D. No. (if applicable): ES 36788

**This Page Contains Private Data**

**Do Not Circulate**

DO NOT REPRODUCE

OR DISTRIBUTE EXTERNALLY WITHOUT EXPRESS  
WRITTEN PERMISSION OF THE CONTRACTOR.

**STATE OF MINNESOTA  
PROFESSIONAL AND TECHNICAL SERVICES CONTRACT**

This contract is between the State of Minnesota, acting through its Commissioner of Health ("State") and University of Minnesota Physicians, 2550 University Ave. West, Suite 401 South in St. Paul, MN 55114 ("Contractor").

**Recitals**

1. Under Minn. Stat. § 15.061, Chapter 144, Sections 144.0742 and 144.05, parts b,d,e,f, for preservation and control of illness and diseases and limitations of disabilities the State is empowered to engage such assistance as deemed necessary.
2. The State is in need of a partner to provide a Care Coordinator to ensure that each child and family's needs are met while acting as a liaison between the primary care provider, service providers, local community agencies and state agencies. The Care Coordinator will plan, organize, and administer outpatient and continuing care services for children and youth with metabolic conditions identified through newborn screening. The Care Coordinator will provide an ongoing process for information exchange and dialogue concerning emerging health care issues affecting children and youth with metabolic conditions identified by newborn screening.
3. The Contractor represents that it is duly qualified and agrees to perform all services described in this contract to the satisfaction of the State.

**Contract**

**1 Term of Contract**

- 1.1 **Effective date:** April 1, 2008, or the date the State obtains all required signatures under Minnesota Statutes Section 16C.05, subdivision 2, whichever is later.  
**The Contractor must not begin work under this contract until this contract is fully executed and the Contractor has been notified by the State's Authorized Representative to begin the work.**
- 1.2 **Expiration date:** March 31, 2013, or until all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3 **Survival of Terms.** The following clauses survive the expiration or cancellation of this contract: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 14 Data Disclosure.

**2 Contractor's Duties**

The Contractor, who is not a state employee, will:

- Serve as a liaison with families and Primary Care Provider [PCP] and state health department staff
- Provide care coordination that focuses on both medical and psychosocial issues of the chronic health condition
- Provide age and disability appropriate preventive care
- Ensure families receive information regarding support services when needed [such as therapies, mental health services, school based services, other]
- Collaborate with the infant/child and family in planning the care
- Conduct individual and family assessments
- Create an individualized emergency care plan for each child
- Manage and update health plan with attention to medications and problem lists
- Provide patient and family education
- Triage phone calls to determine needs
- Generate standard correspondence and follow up phone calls, faxes and other requests
- Assist in establishing family support networks in the community
- Create linkages with school teachers, school nurse and therapists
- Devise transition strategies for older children
- Assist with the identification of cultural, linguistic, and attitudinal barriers to health care
- Assists with the development of culturally appropriate materials for families and PCP.

- Assist with the identification of the appropriate data elements [indicators] to be entered and tracked in the long-term health outcomes monitoring system over the first year of the contract
- Maintain data for tracking the long-term health outcomes when these elements have been identified
- Assist with mid-course [two year and/or mid-contract] review:
  - Survey primary care providers to determine if they received appropriate information
  - Survey families to determine if they got services and information needed
- Pursue other sources of payment for care coordination activities to provide sustainable funding at the end of the contract funding.
- Prepare an annual summary report documenting progress on care coordination activities and submit a brief plan of action for each subsequent year, within 60 days of the end of each year of the contract.
- Maintain regular communication with the contractor through, at minimum, quarterly meetings.

### 3 Time

The Contractor must comply with all the time requirements described in this contract. In the performance of this contract, time is of the essence.

### 4 Consideration and Payment

4.1 **Consideration.** The State will pay for all services performed by the Contractor under this contract as follows:

- (A) **Compensation.** The Contractor will be paid five hundred sixty-four thousand, eight hundred and seventy-six dollars (564,876.00), according to the breakdown of costs contained in Exhibit A, which is attached and incorporated into this contract.
- (B) **Travel Expenses.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Contractor as a result of this contract will not exceed \$ 0.00; provided that the Contractor will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the commissioner of Employee Relations, which is incorporated in to this contract by reference. The Contractor will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.
- (C) **Total Obligation.** The total obligation of the State for all compensation and reimbursements to the Contractor under this contract will not exceed five hundred sixty-four thousand, eight hundred and seventy-six dollars (564,876.00).

#### 4.2. Payment

- (A) **Invoices.** The State will promptly pay the Contractor after the Contractor presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule: Invoices must be submitted timely and according to the following schedule: upon completion of the services on a quarterly basis, within 30 days of the end of each quarter.
- (B) **Retainage.** Under Minnesota Statutes Section 16C.08, subdivision 5(b), no more than 90% of the amount due under this contract may be paid until the final product of this contract has been reviewed by the State's agency head. The balance due will be paid when the State's agency head determines that the Contractor has satisfactorily fulfilled all the terms of this contract.
- (C) **Federal funds.** (Where applicable, if blank this section does not apply) Payments under this contract will be made from federal funds obtained by the State through Title \_\_\_\_\_ CFDA number \_\_\_\_\_ of the \_\_\_\_\_ Act of \_\_\_\_\_. The Contractor is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by the Contractor's failure to comply with federal requirements.

### 5 Conditions of Payment

All services provided by the Contractor under this contract must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Contractor will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

**6 Authorized Representatives**

The State's Authorized Representative is Mark McCann, Manager, Newborn Screening Program, 601 Robert Street North, St. Paul, MN 55155-2531, (651) 201-5450, or his successor, and has the responsibility to monitor the Contractor's performance and the authority to accept the services provided under this contract. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Contractor's Authorized Representative is Ken Hodnett, Sr. Contract Administrator, University of Minnesota Physicians, 720 Washington Avenue S.E., Ste 200, Minneapolis, MN 55414, (612) 884-0862, or his/her successor. If the Contractor's Authorized Representative changes at any time during this contract, the Contractor must immediately notify the State.

The Contractor's Principal Investigator is Debra J. Leithauser, Department of Pediatrics, MMC 391 Mayo, 8391, 420 Delaware, Minneapolis, MN 55455, (612) 624-0626, or his/her successor. If the Contractor's Principal Investigator changes at any time during this contract, the Contractor must immediately notify the State.

**7 Assignment, Amendments, Waiver, and Contract Complete**

7.1 **Assignment.** The Contractor may neither assign nor transfer any rights or obligations under this contract without the prior consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this contract, or their successors in office.

7.2 **Amendments.** Any amendment to this contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original contract, or their successors in office.

7.3 **Waiver.** If the State fails to enforce any provision of this contract, that failure does not waive the provision or its right to enforce it.

7.4 **Contract Complete.** This contract contains all negotiations and agreements between the State and the Contractor. No other understanding regarding this contract, whether written or oral, may be used to bind either party.

**8 Liability**

The Contractor must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this contract by the Contractor or the Contractor's agents or employees. This clause will not be construed to bar any legal remedies the Contractor may have for the State's failure to fulfill its obligations under this contract.

**9 State Audits**

Under Minn. Stat. § 16C.05, subd. 5, the Contractor's books, records, documents, and accounting procedures and practices relevant to this contract are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this contract.

**10 Government Data Practices and Intellectual Property**

10.1. **Government Data Practices.** The Contractor and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, (or, if the State contracting party is part of the judicial branch, with the Rules of Public Access to Records of the Judicial Branch promulgated by the Minnesota Supreme Court as the same may be amended from time to time) as it applies to all data provided by the State under this contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Contractor under this contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data governed by the Minnesota Government Practices Act, Minn. Stat. Ch. 13, by either the Contractor or the State.

If the Contractor receives a request to release the data referred to in this Clause, the Contractor must immediately notify the State. The State will give the Contractor instructions concerning the release of the data to the requesting party before the data is released.

**10.2. Intellectual Property Rights.**

(A) *Intellectual Property Rights.* The State owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents *created and paid for under this contract*. Works means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Contractor, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this contract. Works includes "Documents." Documents are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Contractor, its employees, agents, or subcontractors, in the performance of this contract. The Documents will be the exclusive property of the State and all such Documents must be immediately returned to the State by the Contractor upon completion or cancellation of this contract. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." The Contractor assigns all right, title, and interest it may have in the Works and the Documents to the State. The Contractor must, at the request of the State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

**(B) Obligations**

- a. *Notification.* Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Contractor, including its employees and subcontractors, in the performance of this contract, the Contractor will immediately give the State's Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure thereon.
- b. *Representation.* The Contractor must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the State, and that neither Contractor nor its employees, agents, or subcontractors retain any interest in and to the Works and Documents. The Contractor represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 8, the Contractor will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Contractor's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Contractor will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Contractor's or the State's opinion is likely to arise, the Contractor must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

**11 Workers' Compensation and Other Insurance**

Contractor certifies that it is in compliance with all insurance requirements specified in the single source procurement relevant to this Contract.

- A. Contractor shall not commence work under the contract until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.
- B. Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

1. **Workers' Compensation Insurance:** Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance **minimum** amounts are as follows:

\$100,000 – Bodily Injury by Disease per employee  
 \$500,000 – Bodily Injury by Disease aggregate  
 \$100,000 – Bodily Injury by Accident

If Minnesota Statute exempts Contractor from Workers' Compensation insurance or if the Contractor has no employees in the State of Minnesota, Contractor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Contractor from the Minnesota Workers' Compensation requirements.

2. **Commercial General Liability:** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the contract. Insurance **minimum** amounts are as follows:

\$1,000,000 – per occurrence  
 \$2,000,000 – annual aggregate  
 \$2,000,000 – annual aggregate – Products/Completed Operations

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage  
 Personal and Advertising Injury  
 Blanket Contractual Liability  
 Products and Completed Operations Liability  
 Other; please list \_\_\_\_\_  
 State of Minnesota named as an Additional Insured

3. **Commercial Automobile Liability:** Contractor is required to maintain insurance protecting the contractor from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the contractor will require the subcontractor to provide Commercial Automobile Liability. Insurance **minimum** amounts are as follows:

\$1,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

In addition, the following coverages should be included:

Owned, Hired, and Non-owned Automobile  
 State of Minnesota named as an Additional Insured

4. **Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance**  
 Contractor is required to carry the following **minimum** amounts:

\$1,000,000 – per claim or event  
 \$1,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed \$50,000 without the written approval of the State. If the Contractor desires authority from the State to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements or other approved documentation so that the State can ascertain the ability of the Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract.

This policy will provide coverage for all claims the contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor's professional services required under the contract, and include an extended reporting period provision of a minimum of (3) years following completion of the work.

C. Additional Insurance Conditions:

- Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of Contractor's performance under this contract;
  - Contractor's policy(ies) will provide the State of Minnesota with thirty (30) days advance notice of cancellation, nonrenewal, or reduction in limits of coverage or other material change;
  - Contractor is responsible for payment of Contract related insurance premiums and deductibles;
  - If Contractor is self-insured, a Certificate of Self-Insurance must be attached;
  - Include legal defense fees in addition to its liability policy limits; with the exception of B.4 above, and
  - Obtain insurance policies from an insurance company having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better and must be authorized to do business in the State of Minnesota.
- D. The State reserves the right to immediately terminate the contract if the contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the contractor. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State's authorized representative upon written request.
- E. The successful responder is required to submit acceptable evidence of insurance coverage requirements prior to commencing work under the contract.

Further, the Contractor certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Contractor's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way the State's obligation or responsibility.



**12 Publicity and Endorsement**

12.1 **Publicity.** Any publicity regarding the subject matter of this contract must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Contractor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this contract.

12.2 **Endorsement.** The Contractor must not claim that the State endorses its products or services.

**13 Governing Law, Jurisdiction, and Venue**

Minnesota law, without regard to its choice-of-law provisions, governs this contract. Venue for all legal proceedings out of this contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

**14 Data Disclosure**

Under Minn. Stat. § 270C.65, Subd. 3 and other applicable law, the Contractor consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring the Contractor to file state tax returns, pay delinquent state tax liabilities, if any, or pay other state liabilities.

**15 Payment to Subcontractors**

(If applicable) As required by Minn. Stat. § 16A.1245, the prime contractor must pay all subcontractors, less any retainage, within 10 calendar days of the prime contractor's receipt of payment from the State for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one-half percent per month or any part of a month to the subcontractor(s) on any undisputed amount not paid on time to the subcontractor(s).

**16 Termination**

16.1 **Termination by the State.** The State or commissioner of Administration may cancel this contract at any time, with or without cause, upon 30 days' written notice to the Contractor. Upon termination, the Contractor will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

16.2 **Termination for Insufficient Funding.** The State may immediately terminate this contract if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Contractor. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Contractor will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Contractor notice of the lack of funding within a reasonable time of the State's receiving that notice.

**17 Minn. Stat. § 181.59**

The vendor will comply with the provisions of Minn. Stat. § 181.59 which requires:

Every contract for or on behalf of the state of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the contractor agrees: (1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) That no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) That a violation of this section is a misdemeanor; and (4) That this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

**18 Affirmative Action Requirements for Contracts in Excess of \$100,000 and Discrimination the Contractor has More than 40 Full-time Employees in Minnesota or its Principal Place of Business**

The State intends to carry out its responsibility for requiring affirmative action by its Contractors.

- 18.1 **Covered Contracts and Contractors.** If the Contract exceeds \$100,000 and the contractor employed more than 40 full-time employees on a single working day during the previous 12 months in Minnesota or in the state where it has its principle place of business, then the Contractor must comply with the requirements of Minn. Stat. § 363.073 and Minn. R. Parts 5000.3400-5000.3600. A contractor covered by Minn. Stat. § 363.073 because it employed more than 40 full-time employees in another state and does not have a certificate of compliance, must certify that it is in compliance with federal affirmative action requirements.
- 18.2 **Minn. Stat. § 363A.36.** Minn. Stat. § 363A.36 requires the Contractor to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the Minnesota Commissioner of Human Rights ("Commissioner") as indicated by a certificate of compliance. The law addresses suspension or revocation of a certificate of compliance and contract consequences in that event. A contract awarded without a certificate of compliance may be voided.
- 18.3 **Minn. R. 5000.3400-5000.3600.**
- (A) **General.** Minn. R. 5000.3400-5000.3600 implement Minn. Stat. § 363.073. These rules include, but are not limited to, criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a contractor's compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for non-compliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minn. R. 5000.3400-5000.3600 including, but not limited to, parts 5000.3420-5000.3500 and 5000.3552-5000.3559.
- (B) **Disabled Workers.** The Contractor must comply with the following affirmative action requirements for disabled workers.
- (1) The Contractor must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- (2) The Contractor agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

- (3) In the event of the Contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minnesota Statutes Section 363.073, and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
  - (4) The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the commissioner of the Minnesota Department of Human Rights. Such notices must state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.
  - (5) The Contractor must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of Minnesota Statutes Section 363.073, of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.
- (C) *Consequences.* The consequences for the Contractor's failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a certificate of compliance by the Commissioner, refusal by the Commissioner to approve subsequent plans, and termination of all or part of this contract by the Commissioner or the State.
- (D) *Certification.* The Contractor hereby certifies that it is in compliance with the requirements of Minn. Stat. § 363A.36 and Minn. R. 5000.3400-5000.3600 and is aware of the consequences for noncompliance.

#### 19 **Foreign Outsourcing**

Contractor agrees that the disclosures and certifications made in its Location of Service Disclosure and Certification Form submitted with its proposal are true, accurate and incorporated into this contract by reference.

#### 20 **Employee Status**

By order of the Governor's Executive Order 08-01, if this contract, including any extension options, is or could be in excess of \$50,000, Contractor certifies that it and its subcontractors:

1. Comply with the Immigration Reform and Control Act of 1986 (U.S.C. 1101 et. seq.) in relation to all employees performing work in the United States and do not knowingly employ persons in violation of the United States' immigrations laws; and
2. By the date of the performance of services under this contract, Contractor and all its subcontractors have implemented or are in the process of implementing the *E-Verify* program for all newly hired employees in the United States who will perform work on behalf of the State of Minnesota.

Contractor shall obtain certifications of compliance with this section from all subcontractors who will participate in the performance of this contract. Subcontractor certifications shall be maintained by Contractor and made available to the state upon request. If Contractor or its subcontractors are not in compliance with 1 or 2 above or have not begun or implemented the *E-Verify* program for all newly hired employees performing work under the contract, the state reserves the right to determine what action it may take including but not limited to, cancelling the contract and/or suspending or debaring the contractor from state purchasing.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. §§ 16A.15 and 16C.05.

Signed: Gloria Melchek

Date: 2/12/08

CFMS Contract No. B 11920

2. CONTRACTOR

The Contractor certifies that the appropriate person(s) have executed the contract on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinances.

By: Patti Andreini Arnold  
Patti Andreini Arnold

Title: Chief Operating Officer

Date: FEB 21 2008

By: None required

Title: \_\_\_\_\_

Date: \_\_\_\_\_

3. STATE AGENCY

By: [Signature]  
(with delegated authority) Dave Hovet

Title: Director, MDH Financial Management

Date: 3/5/08

4. COMMISSIONER OF ADMINISTRATION

As delegated to Materials Management Division

By: Lynn A. Blessing

Date: 3/7/08

MMD#14648



Distribution:  
Agency  
Contractor  
State's Authorized Representative - Photo Copy

EXHIBIT A

**MDH Preliminary Budget**

4/1/08 - 3/31/13

4/1/08-3/31/09	
Salary and Fringe Benefits	93,352
Supplies	
Computer, postage, phones,printing,memberships, misc supplies	Computer \$1,000;phones \$700; Long Dist \$400; Pager \$75; Printing \$250,postage \$400; 3,625 Misc supplies \$250,computer support \$550
Memberships	1,100 MMBID & SIMD
Travel	3,075 Regist \$500, hotel \$600,airfare \$750,Per diem \$200; 1.5 trips per year

Sub Total 101,152

TOTAL **\$101,152**

4/1/09-3/31/10	
Salary and Fringe	99,456
Supplies	2,688
Memberships	1,100
Travel	3,075
	phones \$721,LD \$412;Pager \$78; Printing \$257; postage \$412, Misc supplies \$258, computer support \$550
	MMBID & SIMD

Sub Total 106,319

TOTAL **\$106,319**

4/1/10-3/31/11	
Salary and Fringe	105,937
Supplies	2,753
Memberships	1,100
Travel	3,075
	phones \$744,LD \$424.;Pager \$80; Printing \$265; postage \$424, Misc supplies \$266,computer support \$550
	MMBID & SIMD

Sub Total 112,865

TOTAL **\$112,865**

4/1/11-3/31/12	
Salary and Fringe	112,026
Supplies	2,819
Memberships	1,100
Travel	3,075
	phones \$766,LD \$437.;Pager \$82; Printing \$273; postage \$437, Misc supplies \$274, Computer support \$550
	MMBID & SIMD

Sub Total 119,020

TOTAL **\$119,020**

4/1/12-3/31/13	
Salary and Fringe	118,458
Supplies	2,887
Memberships	1,100
Travel	3,075
	phones \$789,LD \$450.;Pager \$85; Printing \$281; postage \$450, Misc supplies \$282, Computer support \$550

Sub Total 125,520

TOTAL **\$125,520**

**TOTAL BUDGET FOR**  
4/1/08 - 3/31/13 **\$564,876**